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ABSTRACT

This hearing discusses the profound political changes taking place in the world with the collapse of the Communist governments of the Soviet Union and Eastern Europe, and the importance of an exchange of students and educational programs among nations in an attempt to promote a new manner of thinking to go along with the new world situation. It is urged that the United States Information Agency (USIA) be strengthened and improved so that it will support the needs of U.S. citizens to understand other nations and their languages. Overseas post support from USIA is critical to maintaining privately funded educational exchanges, including important educational advising services. USIA also traditionally has provided support for research on issues essential to exchange activities. This includes information on the structure of other nations' educational programs, their degrees, and the educational credentials they issue. The information is necessary for the admission of foreign students into U.S. institutions and for the provision of credit for U.S. student academic work abroad. The report consists of testimony on the importance of international educational exchange as new foreign policy funding legislation was discussed. Representatives of USIA testified that the matter of international educational exchange was very important to the Agency, both training students and fostering the true exchange of ideas. Private international exchange groups are faced with new concerns for international citizen and youth exchange in the increased demand from the states of the former Soviet Union and the need to ensure quality exchanges while increasing quantity. (DK)

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INTERNATIONAL EXCHANGES IN A CHANGING WORLD

ED360246

HEARING

BEFORE THE

SUBCOMMITTEE ON INTERNATIONAL OPERATIONS

OF THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED SECOND CONGRESS

SECOND SESSION

JULY 9, 1992

Printed for the use of the Committee on Foreign Affairs

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INTERNATIONAL EXCHANGES IN A CHANGING WORLD

THURSDAY, JULY 9, 1992

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS,
Washington, DC.

The subcommittee met, pursuant to call, at 2:15 p.m. in room 2200, Rayburn House Office Building, Hon. Howard L. Berman (chairman of the subcommittee) presiding.

Mr. BERMAN. I welcome everyone to this hearing of the Subcommittee on International Operations.

The subject matter for today's hearing is: International Exchanges in a Changing World. We hope today to explore the extent to which our current international exchange programs are responsive to the profound political, cultural and economic changes throughout the world which we have witnessed in the past 3 years.

This also offers us a useful opportunity to address concerns about overlap and duplication between programs. U.S. Exchange programs have developed over several decades in response to varying needs and impulses. Many exchange programs are administered by agencies other than USIA. We must begin to look at how well these are coordinated, in their design and in their administration.

We are particularly privileged to have with us today Senator Fulbright, whose involvement in the establishment and development of U.S. international exchanges is unparalleled. We look forward to having the benefit of his intimate familiarity with the founding principles and subsequent history of our international exchange programs.

Senator, I might just add parenthetically, that on a whole variety of issues, you have probably heard this before, but this is one Member of the Congress who as he was getting interested in politics found your example of political leadership in so many different areas something that attracted me to, if we want to call this a profession, this profession. For that, I thank you and I am honored that you are with us today.

Some of the questions I hope we can focus on: Is exchange really a function of public diplomacy or do we do exchanges a disservice by having them serve official policy?

How important a goal is informing Americans about the rest of the world?

I think there was a fundamental assumption that this is important; is this an assumption that is vulnerable to challenge?

Are there alternatives to the reliance on government funding?

How can Congress better coordinate the establishment of exchange programs under various Departments or agencies?

How can the executive branch better coordinate the administration of various exchange programs?

What changes need to take place in the government's traditional relationship with nongovernmental organizations?

What practical or administrative difficulties have arisen from the addition of programs, administration of programs in new places, or of continuing programs in radically changed political, economic and cultural circumstances?

Perhaps the most important question for us to address is the question of priorities. In a world of serious budgetary constraints, how do we decide between worthy exchange programs and which ones will we prefer?

I might add my one experience in carrying a State Department authorization bill. The myriad of different proposals for new exchange programs offered by different Members of the House and the Senate mean that these questions have a certain reality for us. To what extent are we doing the goals and the underlying purposes of exchange programs a service by simply accepting every Member's idea for some new program, and to what extent do we risk that kind of overlapping and duplication and loss of confidence in the efficacy of the whole idea?

The testimony for today is to help us to provide a context for our consideration of next year's State Department authorization bill.

I look forward to hearing from the witnesses.

I have just told my Ranking Minority Member for the day, my friend John Miller, that this is a hearing setting a context for a bill he won't even be here to help us shape next year, and that saddens me.

With that, I yield to him for any comments he might have.

Mr. MILLER. Thank you, Mr. Chairman.

My apologies for being late getting back from the floor.

I don't have an opening statement. I really look forward to hearing from the witnesses.

I think Mr. Berman and I share a common interest and support for exchange programs and we both want to hear how we can make them better.

Thank you.

Mr. BERMAN. Thank you very much, Congressman Miller, and now unless there is reason not to, I would like to go ahead with the testimony from our witnesses and start with our distinguished witness, Senator J. William Fulbright, who will be testifying on behalf of the Liaison Group for International Educational Exchange.

Senator Fulbright.

STATEMENT OF SENATOR J. WILLIAM FULBRIGHT, REPRESENTING THE LIAISON GROUP FOR INTERNATIONAL EDUCATIONAL EXCHANGE

Mr. FULBRIGHT. I appreciate very much the opportunity to come here.

As you know, I am a little over age. I first came to this body 50 years ago, in 1943. So I apologize for my tendency for my mind to wander about.

Mr. BERMAN. You are one of the few people that can make us think of this as the "lower House."

Mr. FULBRIGHT. This is an important House. I know that is where I started in politics.

Obviously, I can't help but say that this program is one of the most important, if not the most important in our international things. With the recent collapse of the Soviet Union, this—of course, I think this program had something to do with that.

One of the principal advisors of Mr. Yakovlev was a Fulbright student in Columbia University in 1959.

Anyway, I think it is very important that you are holding hearings on this program because I believe it is the best way to proceed, and the cost of it is so small compared to what we are accustomed to spending in the military field, it is just a fraction of what that costs, yet I think that the collapse of the Soviet Union was due more to the influence of this kind of activity than it was to the military.

We did not defeat them on the field of battle. We defeated them on the field of ideas, and how to conduct your business. So I am very encouraged by what has happened in the Soviet Union.

It gives us a great opportunity to go forward and to establish relations which will cost just a fraction of what we have been spending during these several years, some $300 billion on the military.

So I am very encouraged by it and I am very encouraged by what I think was the role of the exchange program in what has happened. I think it has contributed a great deal to the results that we now see.

The Soviet Union wasn't defeated on the field of battle, but I think the people who made the decisions there recognized the significance of this kind of program.

So I don't—I have a prepared statement that I have, I would like to submit for the record, but as you can see, I am not quite competent to verbally present a program.

I will try to answer any questions you have as best I can.

[The prepared statement of Mr. Fulbright follows:]

Statement of

The Honorable J. William Fulbright

on behalf of the

Liaison Group for

International Educational Exchange

before the

Committee on Foreign Affairs

Subcommittee on International Operations

U.S. House of Representatives

July 9, 1992

The mine fields of the Cold War that have divided the peoples of the world for nearly half a century are finally being cleared, opening at last the possibility for global cooperation on the challenges and problems facing the human race. It is a critical moment in history.

In 1945 we also stood at such a key point. I was struck then by the advice of Albert Einstein who warned: "Now everything has changed except our manner of thinking. Thus we are drifting toward a catastrophe beyond comparison. We shall require a substantially new manner of thinking if mankind is to survive." Against the background of the enormous destruction of the Second World War and the ominous new potential for destruction in nuclear weapons, it occurred to me that substantial exchanges of students and scholars between nations would help promote the new manner of thinking referred to by Einstein. After more than four decades of work in furthering such exchanges of the brightest young people from around the globe, I believe this even more strongly today.

I am very pleased to participate in today's hearing on International Exchanges in a Changing World representing the Liaison Group for International Educational Exchange, a coalition of twenty-four U.S. nonprofit organizations, many of whom I have worked closely with for decades. A list of the organizations represented in the Liaison Group is attached to my testimony. Let me note for the record that my views may not represent those of each of these organizations.

The profound political changes we are witnessing necessitate that United States foreign policy be reconsidered from top to bottom. The world emerging from the Cold War era will be multipolar, fluid, and complex. Relationships will be built on mutual advantage, not on superpower politics. We will be faced with extraordinarily challenging global problems that require unprecedented cooperation between nations. The Foreign Relations Reauthorization Act which will be pending before this Subcommittee during the next session of Congress provides the opportunity to initiate the crucial task of putting in place sufficient foreign policy mechanisms to meet these needs.

It is my hope that the Subcommittee will use this opportunity to create a United States Information Agency that is strengthened and improved, an agency that is better positioned to

provide the leadership the United States needs to face the crucial international educational and cultural challenges before us. Candidly, I must tell you that I was opposed to entrusting the Fulbright Program to USIA in 1978 and remain skeptical about the wisdom of that decision today. But my remarks today are aimed not at getting the Subcommittee to rethink that decision but at helping you enable USIA to better fulfill its responsibilities.

Most fundamentally, strengthening USIA's ability to conduct international exchanges in the coming decade requires a careful rearticulation of the concept of public diplomacy. The term has been superimposed upon the programs of the Mutual Educational and Cultural Exchange Act ex post facto. It is not widely understood within the academic communities in the United States and abroad, and where it is known it is sometimes viewed with considerable distrust. Although public diplomacy suggests a process of putting the peoples of various nations into direct communication with one another and is as such a laudable one, in practice it often means something else. As Marvin Stone, then Deputy Director of USIA, testified to this Subcommittee in 1986, "Public diplomacy is the means by which a country seeks to inform and thus influence the citizens of another country and through them, their government." This working definition is not conducive to international educational exchange since it fails to recognize the genuine dialogue and reciprocity essential to educational exchange. Further, it is not conducive to international exchange to view all of the activities falling under public diplomacy as a "seamless web" as USIA has tended to do. There needs to be a clear differentiation between educational exchanges, on the one hand, and the overt effort to control public opinion in other nations on the other. An effort on the part of the Subcommittee to rearticulate the basic conceptual framework for USIA's programs would be very helpful in enabling it to fulfill its role as the principal federal agency responsible for educational and cultural exchanges.

It is also critical for the United States that USIA play a pivotal leadership role in ensuring that vital national interests are met by educational exchange programs. As the Subcommittee is aware, privately funded exchanges between the United States and other nations have grown substantially over the years. There are currently more than 407,000 foreign students in U.S. colleges and universities, and we send more than 70,000 of our university students to other countries per year. The overwhelming majority of these

individuals are privately funded. This is impressive. However, the fact that a large number of people are now involved in exchanges does not mean that our vital interests are fully served, as the case of the former Soviet Union so vividly illustrates. In fact, the vast majority of outbound students continue to be undergraduate students going to traditional Western European sites to study humanities and social sciences, while the overwhelming majority of incoming students are advanced students in engineering, computer science, and business from Asian nations. While these exchanges are all valuable, there is a very important role for the federal government in ensuring that other crucial long-term foreign policy interests are maintained through exchange programs. Note, for example, that we currently receive more than 36,000 university students from Japan but we send about 1,200 students to Japan. Surely this trickle of U.S. students to Japan does not meet our needs for expertise about this critical nation. We need USIA to play a leadership role in ensuring that such unmet needs are addressed.

A particular area of concern relates to USIA's mandate to "assist individual Americans and institutions in learning about other nations and cultures" which was given to the Agency in 1978. This so-called "second mandate" has always been controversial at USIA. Most recently, it seems to have been disregarded in the 1991 Strategic Goals Statement of the Agency. This is unfortunate since the needs of Americans to understand other nations and their languages have never been greater. In the post Cold War world we must speak the languages of other peoples if we are to succeed. Our ability to compete in the global marketplace very much depends upon it. While it sounds impressive that 70,000 of our students go abroad to study each year, that translates into fewer than one percent of U.S. undergraduates, and about seventy-five percent of them are studying in a few Western European countries. The comparative figures for U.S. faculty members are surely even less encouraging. There is a major challenge facing us to expand and diversify both the number of our students who study abroad and where they are going. It pleases me to learn that the changes Congress is making to the Higher Education Act will enable more students to use federal financial aid to meet study abroad costs. I am also encouraged that Senator Boren has won congressional approval for a major new initiative to provide scholarships for our undergraduates to study abroad, and I hope technical problems regarding releasing funds

appropriated for this program can soon be resolved. Nonetheless, the USIA we need for the coming decade needs to take very seriously its responsibilities to help Americans develop the skills they need for our nation to succeed in tomorrow's world.

The future role of the Fulbright Program itself is in critical need of attention and leadership. While I am extremely proud of the achievements of the program since its founding and am pleased to see the accomplishments of the many exemplary individuals who have participated in the Fulbright program, I am worried about its future. *As the Fulbright Scholarship Board noted in its acclaimed White Paper*, the program has been asked to do too much with too little. As a result, its reputation of excellence is in jeopardy, and its continued ability to attract the best young minds is in doubt. In certain countries and in certain disciplines, the Fulbright Program is already unable to compete for the best talent. It is my hope that this Subcommittee, USIA, *and the Fulbright Scholarship Board* will work together with the educational community in the United States and around the world to ensure that the future of the Fulbright program is as bright as its past. I think the track record of the program is proven, and it is well worth the relatively small sums needed to meet this goal.

Outside of the Fulbright Program itself, there are critical needs in other core programs, such as the infrastructure supporting the International Visitor Program in communities throughout the United States which face very serious resource shortages.

Another important area of federal international education leadership that is increasingly needed is in the coordination of the diverse set of federal exchange programs which now involve a large number of federal agencies. Although the Subcommittee may well want to investigate whether it is possible to make USIA more competitive as an administrative base for new federal initiatives, the trend to diversify international exchanges in the federal government is to some extent a natural result of the ongoing internationalization of American society. Nonetheless, even though this trend may not be unhealthy, it poses important challenges regarding how this diverse array of federal programs can be effectively coordinated so as to avoid duplication and competition as well as to maximize complementarity.

The role of the federal government in facilitating privately funded exchanges is also critical to the future of international exchange. The last several years have witnessed the development of a growing regulatory quagmire of regulations from a diverse set of agencies

including the Immigration and Naturalization Service, the Departments of Commerce, Labor, State, and Treasury, as well as USIA. As the Subcommittee is aware, the exchange community in the United States has been engaged over the last three years in a sometimes contentious debate with USIA over regulations governing the J-1 Exchange-Visitor visa. My views about these issues have been put on the record of the Senate Foreign Relations Committee, and they reflect my conviction that the Mutual Educational and Cultural Exchange Act contemplated a very flexible visa able to serve a broad range of programs for students, scholars, trainees, and others. I am informed by my colleagues in the exchange community that the dialogue with USIA has progressed substantially regarding the J visa and that the possibility of achieving a set of workable new regulations may be in sight. However, important issues such as the future of the valuable summer student travel/work program still remains in doubt. I hope these remaining problems can be resolved soon so the people dedicated to furthering international exchanges in the United States can get on with their work. It is important for the Subcommittee to understand, however, that the J visa is only one part of a complex maze of federal regulations which threaten to undermine our ability to conduct successful exchange programs. Dealing with these concerns requires strong leadership from both the Subcommittee and USIA.

In addition to the regulatory area, there are a number of activities relating to privately funded exchanges which require strong support from USIA. Overseas post support is critical to maintaining exchanges, including important educational advising services. USIA has also traditionally provided support for research on issues essential to exchange activities. This includes information on the structure of other nations' educational programs, their degrees, and the educational credentials they issue which is necessary for both the admission of foreign students into U.S. institutions and to the provision of credit for U.S. student academic work abroad. Unfortunately, USIA has been moving away from these critical support activities.

Rising above all these important needs at this moment is the need to respond effectively to the unbelievable events unfolding in the former republics of the Soviet Union, the Baltics, and Eastern Europe. What events we are witnessing. It is incumbent upon us to rise to the aid of the brave peoples of these nations to help them create modern, democratic

states from the rubble of communism. Here the power of exchanges has already been amply demonstrated. It is clear to me that our sponsorship of a young Russian named Aleksandr Yakovlev to attend Columbia University in the late 1950's has paid enormous dividends as he rose to become one of President Gorbachev's closest advisors in initiating the tremendous changes we now see unfolding in the former Soviet bloc. Now we need to empower a new generation of Russians, Ukrainians, Lithuanians, and others from throughout these nations to further these reforms through a program such as that proposed by Senator Bradley which just received Senate approval. However, we must respond to this new challenge without robbing Peter to pay Paul. We must retain our ongoing exchange commitments with other regions and the nations within them as we reach out to the peoples of the former Soviet empire.

As my remarks have indicated, there are many critical issues regarding educational exchanges which face this Subcommittee as it prepares to reauthorize the programs of the U.S. Information Agency. I urge you to take these issues very seriously. As you prepare for the upcoming reauthorization, I hope you will take the time to conduct a comprehensive set of hearings that will allow the Subcommittee to discuss these issues with *the Fulbright Scholarship Board*, the academic community in the United States, representatives of the Fulbright Commissions throughout the world, alumni of the programs, and others. It has been far too long since such a comprehensive congressional assessment of international exchanges has been undertaken.

We certainly stand at a turning point in history. I have devoted my life to the furtherance of these critical international exchange programs which can do so much to further mutual understanding and human progress, and I am convinced they have provided enormous dividends. The future of these programs is in your hands.

Mr. BERMAN. Well, Senator, thank you very much.

Your prepared statement will be included in the record in its entirety. It is an excellent one.

I would like to come back to you and ask you a few questions about your evaluation of the relative worth of exchange programs versus other functions in the foreign diplomatic field. Before that I would like to turn, and hoping he understands—normally in this situation he would have been the lead-off witness, but I am pleased to introduce to the committee and the audience our next witnesses.

Before I do that, I have been joined by my friend who is the former chairman of this subcommittee and who was a strong supporter of educational exchange programs during his tenure here—he is retiring this year—for any comments he might have?

Congressman Dymally.

Mr. DYMALLY. I have just returned from Mali, Senegal and Mauritania, and everywhere I go one topic of discussion, of course, is the success of the Fulbright program.

In Mali and Senegal it is very, very active, more so in Senegal than probably any other part of Africa. In fact, I had a Fulbright scholar in my district at one time. They are seeking one in Mauritania.

I am always pleased to hear the glowing reports about the success of the Fulbright program, Senator.

Mr. BERMAN. Now we will proceed with Mr. Barry Fulton, the Deputy Associate Director of the Bureau of Educational and Cultural Affairs for the USIA, accompanied by the agency General Counsel, Alberto Mora.

STATEMENT OF DR. BARRY FULTON, DEPUTY ASSOCIATE DIRECTOR FOR EDUCATIONAL AND CULTURAL AFFAIRS, U.S. INFORMATION AGENCY; ACCOMPANIED BY ALBERTO MORA, GENERAL COUNSEL

Mr. FULTON. I would like to express my appreciation for the honor of appearing with Senator Fulbright as well as the appreciation of USIA for his continuing robust support of the program which bears his name. The issues he has raised and in his prepared statement are ones that warrant your attention and ours.

I welcome the opportunity to comment today, and as the Senator has proposed in subsequent hearings, we agree with him, we stand at a turning point in history.

In 1961, Senator Fulbright said: "It is not our affluence, or our plumbing, or our clogged freeways that grip the imagination of others. Rather, it is the values upon which our system is built. These values imply our adherence, not only to liberty and individual freedom, but also to international peace, law and order, and constructive social purpose."

This concept of what it is that is unique about our country—of what we seek to share with the people of other countries—has guided the U.S. Government's international exchange effort for more than half a century. For even longer, it has inspired private American citizens and organizations to support and participate in exchanges.

Many of those organizations are partners with us today. The events of the past few years have validated the foresight of those who preceded us. The collapse of communism in Eastern Europe and the Soviet Union was not a triumph of military power, but of the power of values and ideas.

Securing a peaceful outcome, consistent with our national interest, to what is still a very unsettled international situation will require no less an effort. Those of you who have traveled to the emerging democracies of Eastern Europe and Central Asia have heard what my colleagues abroad have heard: Expressions of a deep desire to know not only how we do things, but also the values that determine why we do them. The citizens of those countries want to know not only how we administer our justice system, for example, but American concepts about civic relationships among ourselves and with our government that underlie our American justice system.

USIA's exchange programs have adapted in important ways to the changes of the past few years. The most important of these changes has been the shift of resources and effort first to Eastern Europe, and more recently to the former Soviet Union. Such a shift is inevitable, given the moment in history and the high stakes for our own future and that of our children. It has not, however, been without cost.

Part of the shift has resulted from the creation of new programs without provision for the staff or support necessary to run them. Some of them, like the U.S.-CIS Interparliamentary Exchange Program, are among the most important initiatives we currently have underway. But implementing this and many other program initiatives and expansions has seriously stretched our capacity to administer and monitor our programs effectively.

The focus on Eastern Europe and the former Soviet Union also threatens our ability to sustain our efforts in other parts of the world. We cannot afford to forego program opportunities in the emerging democracies of Africa or in countries in Asia, Latin America, and elsewhere with which our relations remain important. While we recognize the need to set priorities worldwide, the potential impact of exchange programs in these areas is as great as in the former Soviet Union.

Let me cite some examples of the important opportunities throughout the world that we must continue to address, even as we devote unprecedented attention to Russia and Eurasia.

First, at the invitation of the Mongolian Ministry of Education, a scholar from the University of Pittsburgh's Department of Education has traveled twice to Ulaanbaatar, under our auspices, to conduct workshops on the U.S. education system. As a result of his visit, the first two Mongolian Fulbrighters will be in the United States during the coming academic year to conduct research on educational methodology and administration.

Second, USIA is currently administering programs funded by AID to support the transition to civilian rule in Nigeria and to representative government in South Africa. In both cases, traditional USIA exchange program tools are being directed to specific objectives that are in the long-term interest of both the United States and of the partner country.

Third, we are providing support to Fulbright programs in Indonesia and Malaysia to enable Islamic scholars from both countries and from the United States to learn more about the role of religion, and Islam in particular, in each other's societies.

The other significant change in our program mix in recent years has been the shift to what some call "how to" programs. We, as well as others in the administration and the Congress, are increasingly finding exchange programs an effective tool in communicating practical knowledge on how to organize governments and market institutions to those in the emerging democracies. We have, for example, supported visitor programs for Russians and Eastern Europeans on the conversion of defense industries to civilian production. We have supported projects on grass-roots involvement in the democratic process and on the role of the volunteer in American society.

We are pleased with the success of these efforts and with the increasing recognition by others in the U.S. Government that the programs we have been administering provide valuable models for dealing with new—or newly recognized—needs.

But we have not lost sight of the fact that our mandate extends beyond training to the true exchange of ideas—to values, to return to Senator Fulbright's word. Fifty years after the Federal Government joined the effort to carry out such exchanges, I believe there is a renewed commitment to their importance. Indeed, as the need for an American military presence abroad diminishes, the need for a cultural and political presence grows.

USIA is proud of its role in developing "friendly, sympathetic, and peaceful relations between the United States and the other countries of the world." We are confident that we can build on that success.

This concludes my formal presentation. I would be happy to answer any questions that you may have.

I would like to add that USIA General Counsel Alberto Mora is here and will address questions dealing with USIA's regulatory reform of our exchange visitor visa program.

[The prepared statement of Mr. Fulton follows:]

STATEMENT OF

DR. BARRY FULTON

DEPUTY ASSOCIATE DIRECTOR FOR

EDUCATIONAL AND CULTURAL AFFAIRS

UNITED STATES INFORMATION AGENCY

BEFORE THE SUBCOMMITTEE ON INTERNATIONAL OPERATIONS

COMMITTEE ON FOREIGN AFFAIRS

HOUSE OF REPRESENTATIVES

JULY 9, 1992

Mr. Chairman, Members of the Subcommittee:

In 1961, Senator Fulbright said:

> "It is not our affluence, or our plumbing, or our clogged freeways that grip the imagination of others. Rather, it is the values upon which our system is built. These values imply our adherence, not only to liberty and individual freedom, but also to international peace, law and order, and constructive social purpose."

This concept of what it is that is unique about our country--of what we seek to share with the people of other countries--has guided the U.S. Government's international exchange effort for more than half a century. For even longer, it has inspired private American citizens and organizations to support and participate in exchanges. Many of those organizations are partners with us today.

The events of the past few years have validated the foresight of those who preceded us. The collapse of communism in eastern Europe and the Soviet Union was not a triumph of military power, but of the power of values and ideas. Securing a peaceful outcome, consistent with our national interest, to what is still a very unsettled international situation will require no less an effort.

Those of you who have traveled to the emerging democracies of eastern Europe and central Asia have heard what my colleagues abroad have heard: expressions of a deep desire to know not only how we do things, but also the values that determine why we do them. The citizens of those countries want to know not only how we administer our justice system, for example, but American concepts about civic relationships among ourselves and with our government that underlie our American justice system.

USIA's exchange programs have adapted in important ways to the changes of the past few years. The most important of these changes has been the shift of resources and effort first to eastern Europe, and more recently to the Former Soviet Union. Such a shift is inevitable, given the moment in history and the high stakes for our own future and that of our children. It has not, however, been without cost.

Part of the shift has resulted from the creation of new programs without provision for the staff or support necessary to run them. Some of them, like the U.S.-CIS Interparliamentary Exchange Program, are among the most important initiatives we currently have underway. But implementing this and many other program initiatives and expansions has seriously stretched our capacity to administer and monitor our programs effectively.

The focus on eastern Europe and the former Soviet Union also threatens our ability to sustain our efforts in other parts of the world. We cannot afford to forego program opportunities in the emerging democracies of Africa or in countries in Asia, Latin America, and elsewhere with which our relations remain important. While we recognize the need to set priorities worldwide, the potential impact of exchange programs in these areas is as great as in the former Soviet Union.

Let me cite some examples of the important opportunities throughout the world that we must continue to address, even as we devote unprecedented attention to Russia and Eurasia.

- At the invitation of the Mongolian Ministry of Education, a scholar from the University of Pittsburgh's Department of Education has traveled twice to Ulaan Bator, under our auspices, to conduct workshops on the U.S. education system. As a result of his visit, the first two Mongolian Fulbrighters will be in the United States during the coming academic year to conduct research on educational methodology and administration.

- USIA is currently administering programs funded by AID to support the transition to civilian rule in Nigeria and to representative government in South Africa. In both cases, traditional USIA exchange program tools are being directed to specific objectives that are in the long-term interest of both the United States and of the partner country.

- We are providing support to Fulbright programs in both Indonesia and Malaysia to enable Islamic scholars from both countries and from the United States to learn more about the role of religion, and Islam in particular, in each other's societies.

The other significant change in our program mix in recent years has been the shift to what some call "how to" programs. We, as well as others in the Administration and the Congress, are increasingly finding exchange programs an effective tool in communicating practical knowledge on how to organize governments and market institutions to those in the emerging democracies. We have, for example, supported visitor programs for Russians and eastern Europeans on the conversion of defense industries to civilian production. We have supported projects on grassroots involvement in the democratic process and on the role of the volunteer in American society.

We are pleased with the success of these efforts and with the increasing recognition by others in the U.S. government that the programs we have been administering provide valuable models for dealing with new--or newly recognized--needs.

But we have not lost sight of the fact that our mandate extends beyond training to the true exchange of ideas--to values, to return to Senator Fulbright's word. Fifty years after the federal government joined the effort to carry out such exchanges, I believe there is a renewed commitment to their importance. Indeed, as the need for an American military presence abroad diminishes, the need for a cultural and political presence grows.

USIA is proud of its role in developing "friendly, sympathetic, and peaceful relations between the United States and the other countries of the world." We are confident that we can build on that success.

This concludes my formal presentation. I would be happy to answer any questions you may have. I would like to add that USIA's General Counsel, Alberto Mora, is here and will address questions dealing with USIA's regulatory reform of our exchange visitor visa program.

Mr. BERMAN. Our third witness is Jennifer Froistad, Executive Director of AFS-USA, who will testify on behalf of the International Exchange Association.

STATEMENT OF JENNIFER FROISTAD, EXECUTIVE DIRECTOR OF AFS-USA, REPRESENTING THE INTERNATIONAL EXCHANGE ASSOCIATION

Ms. FROISTAD. Thank you.

My name is Jennifer Froistad, and I am the Executive Director of AFS in the United States, which is actually AFS Intercultural Programs but known to most people in the United States as the American Field Service. AFS was conceived on the battlefields of the First and Second World Wars by ambulance drivers, but I think it is fair to say that it was birthed by Senator Fulbright and others who saw the potential of exchange between peoples as being a preventive toward, not just something that could be used to mop up the battlefields.

We have been providing exchanges since 1947 and have exchanged over 180,000 young people between the United States and other countries.

I am here today on behalf of the International Exchange Association, better known as IEA. IEA is an umbrella organization of 50 members, all nonprofit, U.S.-based organizations who are responsible for the bulk of this country's international citizen and youth exchange programs.

IEA is dedicated to the support of international citizen and youth exchange between the United States and the countries of the world. Its members are engaged in, or actively support, the exchange of citizens, youths, trainees and professionals for educational, cultural, professional and humanitarian purposes.

A list of members are appended to the statement.

I want to express my appreciation to the subcommittee for seeking this update on international exchanges and also for being a continuing source of congressional support for and interest in the exchange activities and the opinions and views of exchange organizations. Your continuing leadership in this dimension of public diplomacy in its most catholic sense is recognized among our colleagues and we look forward to working with you, particularly in the year ahead in anticipation of the reauthorization of the U.S. Information Agency.

I heartily support Senator Fulbright's statement, as I think he has touched upon the profound issues that undergird exchange programs.

I want to depart from the prepared text. I would like to highlight some points.

I think that it is worth noting that what we desire in our relationship with USIA and with the government is the ability to respond to historic opportunities such as the one we now face with the former Soviet Union and the Baltic States; to ensure growth with quality; to promote exchanges worldwide, especially in those regions of the world which are underserved by private market-driven exchange activities; and to provide leadership in the area of public diplomacy.

To do that there are several activities that USIA has historically and I think should continue to perform. One is in the area of funding.

There are two aspects to that: First, USIA should provide funding for exchanges that are not supported by the marketplace, particularly in those parts of the world that are currently dreadfully underserved by our exchange programs: the Islamic world and Africa in particular. Second, USIA should provide something to build infrastructure so that in fact the exchange organizations can continue to carry out the exchange activities which are certainly not in any way dependent upon Federal funding.

The vast majority of citizen and youth exchanges in this country, probably 98 percent of it, is carried out through private funding. To work in partnership with the private exchange community and with other government agencies, and to assist in developing regulations that serve——

Mr. BERMAN. Say that one more time.

You are saying 98 percent of——

Ms. FROISTAD. Exchange activities that take place between citizen and youth exchanges are supported by private funding. It is mostly carried out in the private sector, not through direct government funding.

Mr. MILLER. You are not talking about academic?

Ms. FROISTAD. Youth and citizen exchanges.

Mr. BERMAN. I remember when I was in high school where someone would come, attend high school and live with a family in our area, a student in our high school would go abroad—that is 98-percent privately funded?

Ms. FROISTAD. Right. From when you remember, when you were in high school, that activity probably was supported by funds raised in the United States by private citizens. Those funds now come from the student's family in the country from which they come, for reasons having to do with where the students are coming from and constraints on funding. I am talking about citizen and youth exchanges which are essentially in the private sector, increasingly funded, to our regret, by private funds.

We will get to that in a moment.

Let me go back to the issue of the former Soviet Union, the seizing of historic opportunities. The changes that have taken place in the former Soviet Union and the Baltic States obviously provide a historic opportunity for exchange, unlike any that we have probably ever seen before. Senator Bradley and Congressman Leach have made a proposal for massive exchanges to take place between the United States and the former Soviet Union and the Baltic States. The proportions that they are talking about are unheard of in our field, and the initial reaction I think has been to be hesitant about embracing that magnitude of exchange.

On reflection, I think it is fair to say that members of the IEA and the Liaison Group are very supportive of what they have proposed because they have recognized, as only I think Senator Fulbright before them has recognized, the incredible power and impact that exchange between human beings can have on changing lives and the life of a nation.

We will not be able to do these exchanges without changing the way we do business, without building new alliances and fundamentally without additional funding. But I would urge the Members of this committee and others to support that initiative.

The changes that have taken place in the former Soviet Union are ones that are historic, and in some ways without precedent, but they can easily slip back into something else. Democracy is a trying enterprise, as you know, and it can often be chaotic and requires an educated citizenry and people dedicated to the principles of democracy.

We are already seeing in those parts of the world the effects of people that don't understand how to deal yet with democracy. To the extent that exchanges can help increase understanding and familiarity with these forms, I think we will be well served, and I don't think the opportunity will be here forever.

The second point I would like to talk about is the need for quality exchanges while increasing the quantity. Over the last 15 years there has been an incredible increase in the number of exchanges, particularly at the level of youth, and it is because of this increase in exchanges that USIA in part has taken an active role in the last few years in regulation.

We need to be careful that in our desire to regulate we not simply control, but in fact promote increased quality in exchanges. There is no conflict necessarily between quantity and quality, but exchanges that do not have an underpinning of quality can result not in the desired understanding that we seek, but to greater enmity between people. It can reinforce prejudice rather than increase understanding.

Thirdly, the public-private cooperation and interagency cooperation are essential components of any successful international exchange because exchanges fundamentally rely on private sector and government cooperation, and because in an era of limited resources we can ill afford duplication. While high-level dialogue between the public sector and policy leaders in USIA has improved in recent years, international exchange in particular suffers from missed opportunities because the private sector is not as regularly and completely consulted on program design and policy priorities.

As weak as cooperation is between USIA and private-sector exchanges, the agency's statutorily mandated coordinating role for exchanges government-wide is worse. There is little coordination and consequently no administration perspective on what is going on in government and what its priority ought to be in a period of limited resources.

The example of both aspects of this shortcoming are readily apparent in the administration's proposals for exchange initiatives in Central and Eastern Europe and the former Soviet Union. The plans proposed in the past 3 years have been incomplete and they have involved little or no citizen and youth exchanges, and have been late in being put forward.

Too often they were done without adequate, we believe, consultation with the private sector, which will be depended upon to carry out most of those exchanges. Consequently, since 1989, at least three Federal agencies have vied for leading roles in exchange-based foreign policy concerns. These are USIA, the Agency for

International Development (AID), and the State Department, and each have been directed in different ways to start exchange-related activities.

It is important that USIA, we believe, play a better role in coordinating these activities, and we think USIA, which has less a parochial concern, is the best agency to do that.

I will not dwell on infrastructure. It is outlined in the statement.

I would like to speak on the need for balance in exchange programming and regulation.

With regard to balance, there are two issues, one having to do with the commitment to maintain U.S. exchanges worldwide. As I referenced earlier, the areas of the Islamic world and Africa in particular are woefully underserved. The enormous expansion of privately funded exchanges in youth and citizen, particularly youth, has taken place almost exclusively with Western Europe and to a lesser degree Australia, New Zealand and Japan in terms of people coming to the United States.

There is less activity now among youth exchanges in Africa than there was 20 years ago. One of the lessons I hope we can learn is that preventive action now will do us great good in the future, if we can build bridges.

The conflicts of the future, many believe, will not be East-West but North-South, and we can play a vital role in that by promoting the kind of exchanges with North and South now that members of the Soviet Union participated in 30 or 40 years ago.

The second aspect of exchanges which I think has been out of balance is that the focus in the last few years has been primarily on big "C" culture and academic and not sufficiently on youth exchanges. In fiscal year 1988, USIA spent $3.5 million on discretionary program funding in these areas.

In 1993, they propose spending $341,000. This figure does not include $2.45 million for congressionally mandated activities such as the Congress-Bundestag and Samantha Smith Programs.

In the area of exchange regulation, I think in the last few months after some painful start up, the dialogue between USIA, Alberto Mora's office in particular, and the exchange community has been constructive, and I hope will go forward to achieve regulations that will both promote as well as control behavior.

But I think we would be foolish to think the regulations ever really promote growth and quality. We need to find other ways to promote growth and quality than through regulations. Ultimately it will be the strength of the international exchange organizations themselves that will ensure quality; not regulations.

Initiatives are being taken now among the youth and citizen exchanges, with the help of John Richardson, former Assistant Secretary of State for Cultural Affairs, to look at a self-policing mechanism for the field which we think will ultimately be of greater benefit.

Finally, let me cite examples of successes in our field. I think citizen and especially youth exchanges are too often seen as nice, but not necessary to our world.

They are often messy, they are hard to control and they have little short-term impact. The impact that we see from these programs often takes place years and years from today.

I was speaking this morning to 2,500 AFS students who are about to depart the United States to return to their home countries. We had invited to speak to them, Jan Eliasson, the Under Secretary General for Humanitarian Affairs at the United Nations. He was an AFS student in 1957, in Dekalb, Indiana. He credits the work he does today with the experience he had as a 17-year-old.

Who could have known at that time that this would happen. He was instrumental in solving the Iraq-Iran crisis and is very much involved in solving many of the ethnic strife that tear people apart around the world today. We had an earlier reference to Mr. Yakovlev, who was a Fulbright scholar.

Other examples—in AFS, we have the President of Colombia whose host mother from Fresno, California, was at his inauguration. We have John Macrae, who was on a practical training program with the Association for International Practical Training in Louisville, Kentucky, who is now British Ambassador to Morocco, who credits to a great extent his work in the international field to his experience in the United States. And F.W. de Klerk, who came to the United States as an international visitor many years ago, a visit which he said gave him an understanding of the vitality that can be gained from a multiracial society.

I believe that with these observations I have suggested some areas for attention in the upcoming deliberations of the subcommittee when next year's USIA reauthorization takes place. We look forward to working with the committee and with USIA to seize the opportunities before us to build the infrastructure necessary to provide exchange programs and to share in the leadership to lead to more balanced exchange program activities.

Thank you.

[The prepared statement of Ms. Froistad follows:]

STATEMENT OF JENNIFER FROISTAD

Executive Director
AFS

representing

The International Exchange Association

before the

U.S. House of Representatives
Committee on Foreign Affairs
Subcommittee on International Operations

Thursday, July 9, 1992
2200 Rayburn House Office Building
Washington, D.C.

Good afternoon. My name is Jennifer Froistad and I am Executive Director of AFS, better known in thousands of American communities as the American Field Service. Since our first exchanges in 1947, we have sought to confront cultural stereotypes and human misunderstanding through the simple act of having youths from one country live in the homes, attend school, and immerse themselves in community life in another part of the world. To date, over 180,000 young people from over 80 countries have experienced American life through AFS families and schools.

I am presenting this statement on behalf of the International Exchange Association (IEA), a nonprofit umbrella organization of 50 members--all nonprofit, U.S.-based organizations responsible for the bulk of this country's international citizen and youth exchange programs. IEA is dedicated to the support of international citizen and youth exchange between the United States and the countries of the world. Its members are engaged in, or actively support, the exchange of citizens, youth, trainees, and professionals for educational, cultural, professional, and humanitarian purposes. A list of IEA member organizations is attached to this statement.

I want to express my appreciation to this subcommittee for seeking this update on international exchanges, and for being a continuing source of Congressional support for and interest in our exchange activities. Your continuing leadership for this dimension of public diplomacy is well-recognized among my colleagues and we look forward to working with you in the years ahead--beginning with next year's anticipated reauthorization for the U.S. Information Agency (USIA).

I whole-heartedly support the preceding statement of Sen. Fulbright--a most eloquent expression of our need to reassess both our justification and our instruments of public diplomacy. My statement will raise some complementary points, particularly regarding the balance of the U.S. exchange mix, regulatory reform of the J Exchange Visitor Program, and our national response to the needs of the former Soviet Union.

We in the exchange community have come to recognize and respond to the new and dramatic demands that the changes in the world are putting on us. Where once we were confined to working with very limited numbers in highly structured exchange relations with Central and Eastern Europe, and the republics of the former Soviet Union, we are now responding to demands for massive exchange activities with scores of new partners--both public and private.

Where less than a decade ago we were content to work on the modest objective of opening and maintaining some small scale of dialogue and mutual understanding, we are now faced with calls for broad-based sharing of skills and knowledge overcoming decades of closed trade in ideas and friendship.

While the headlines are grabbed by our national fascination with the opening of friendly relations with the former Soviet Union, we also recognize that democratization and the transition to free and open societies are underway throughout the world; in countries and regions long tainted by authoritarian regimes, segregated societies, and closed borders.

With that as a backdrop, I want to begin with two immediate concerns for the international citizen and youth exchange community--response to the newly independent states of the former Soviet Union and the need to ensure that we conduct quality exchanges while we expand their quantity. Then I will summarize four topics that relate to operational aspects of exchanges that I believe Congress should investigate and address as needed. Those topics are cooperation and coordination between the private sector and government, and among government agencies; the exchanges infrastructure; balance in exchanges programming, and regulation of exchanges. I will conclude with several examples of how an international exchange experience has affected the lives of our alumni.

SUPPORT FOR EXCHANGES INITIATIVE WITH CIS AND BALTIC STATES

It is clear that we face an unprecedented opportunity at this moment in world affairs to engage the newly independent and free peoples of the republics of the former Soviet Union. We believe that that opportunity includes an opening to ensure that a new generation of individuals--teenagers and young adults--has a real and profound understanding of the United States; and that we might foster among our citizens a comparable appreciation for the diversity and circumstances of the peoples of these 15 republics. To this end, we endorse the initiative outlined in the Bradley-Leach bill that would establish a substantial and new commitment to educational and cultural exchanges with that region. We believe that the two sponsors of this legislation have realized the considerable power inherent in international exchange; a power based on the capacity

of individuals to change the course of their lives and the life of their country through an appreciation of the broader world experienced through exchanges. Forty-six of our colleague organizations--from the membership of IEA and the Liaison Group for International Educational Exchange--have endorsed the Bradley-Leach proposal in a letter to members of the Senate last month. A copy of our letter is attached to this statement.

ENSURING QUALITY EXCHANGES WHILE INCREASING QUANTITY

We often measure our success in this field by our growth in the numbers of participants that we exchange. And indeed, by that measure, international exchanges are doing well. We have experienced consistent growth and reached tens of thousands of new participants in a broadening range of activities over the past decade. What we must continue to stress in both publicly-supported and private-initiated exchanges is that new and increased exchanges must be conducted with the highest standards of quality. Simply expecting more people coming and going on exchanges to translate into greater understanding of the United States around the world is to fall victim to one of the oldest lessons in our field: contact without interaction often breeds enmity. As I will explain in more detail below, we are at risk in compromising our successes when reaching more people because we fail to remember to provide a quality experience with appropriate support for the exchange participant.

PUBLIC/PRIVATE COOPERATION AND INTER-AGENCY COORDINATION

Cooperation and coordination are essential components to the success of international exchange--essential because exchanges fundamentally rely on private sector and government cooperation; and because in an era of limited resources, we can ill-afford duplication. While high-level dialogue between the private sector and policy leaders in USIA has improved in recent years, international exchange regularly suffers from missed opportunities because the private sector is not regularly and completed consulted on program design and policy priorities for virtually all aspects of federally-supported exchanges.

As weak as cooperation is between USIA and private sector exchanges, the Agency's statutorily mandated coordinating role for exchanges government-wide is worse. There is no coordination, and consequently no Administration perspective on what is going on in government and what its priorities ought to be in this period of limited resources.

The example of both aspects of this shortcoming are readily apparent in the Administration's proposals for exchange initiatives with Central and Eastern Europe and the former Soviet Union. The plans proposed in the past three years have been incomplete and late, have been assembled without consultation with the private sector (the very sector expected to carry out the proposed programs), and have often duplicated what is already underway in the private sector or at some other federal agency.

Consequently, since 1989, at least three federal agencies have vied for leading roles in exchange-based foreign policy concerns and many others have undertaken or been directed to start exchange-related activities. It is impossible for us to get a handle on what the U.S. Government is actually doing on exchanges at any given time, who is in charge of those activities, whether those exchanges would benefit from better cooperation with the private sector, or indeed if a particular exchange activity is duplicative of other efforts or even needed.

EXCHANGES INFRASTRUCTURE

Funding for exchange activities has, since the late 1980s, been increasingly directed toward the purchase of actual exchanges--bodies going and coming--at the cost of investing in systems, networks, expertise, training, and capacity. While USIA does continue to give funding for field service, advising, and orientations, those resources are a declining share of the grant-making pie and largely focused on one or two dimensions of the multi-faceted exchange community. As a consequence, exchange capacity and network strength are in disrepair and, like neglected roads, they cannot be expected to carry increasing loads of exchange participants without the likelihood of failure. We risk a major breakdown in quality exchanges that may ultimately sow seeds of misunderstanding rather than the desired mutual respect.

For example, USIA no longer underwrites the training of high school administrators to work with youth exchange organizations and has reduced funding commitments for institutional support of volunteer-driven, community-based exchange networks such as councils for international visitors and sister city affiliations. Reductions in these kinds of investments in American exchange programs will ultimately prove to be penny wise and pound foolish.

There is a collateral aspect to this concern and that is the internal support structure at USIA to handle the growing programmatic initiatives with which the Agency has been charged. We believe this Subcommittee should carefully examine whether USIA has adequate resources to undertake these many activities.

BALANCE IN EXCHANGES PROGRAMMING

There are two aspects of balance in exchanges programming which USIA has been failing to maintain. First is its commitment to maintain a U.S. exchanges presence throughout the world. While understandably pressed by recent developments in Europe and the former Soviet Union, declining exchange numbers with Africa, Latin America, and parts of Asia are alarming both to us and our exchange partners in those regions. We cannot neglect our obligations to ensure mutual understanding with Chile and South Africa, for example, while we respond to new concerns in Lithuania and Hungary. As an example of this trend, I enclose a set of graphs highlighting participant trends for six world regions based on USIA exchanges data.

The second aspect is in the types of exchanges undertaken, and for me that is even more alarming an imbalance. For decades, the Bureau of Educational and Cultural Affairs has consistently funded youth exchange activities. However, that commitment has faltered in the past four years. In FY 1988, USIA spent $3.5 million in discretionary programming funds in this area. For FY 1993, they propose spending $341,000. Were it not for Congressionally-mandated programs with Germany and East and Central Europe (including the former USSR), USIA wouldn't have youth exchanges to speak of. USIA's investment in undergraduate exchanges, trainee exchanges, and its commitment to Americans studying abroad are similarly under-represented in the profile of the Agency's activities.

REGULATION OF EXCHANGES

Charles MacCormack, President of the Experiment in International Living, observed at an IEA Congressional Briefing hosted by Chairman Fascell last year that major new private sector exchange initiatives could be encouraged and facilitated by the U.S. Government by setting an appropriate regulatory environment for exchanges. I concur with Dr. MacCormack's assessment and note that USIA is now two and a half years into a regulatory reform effort that remains unfinished. This lengthy review process has effectively held up the expansion and further development of exchanges while private sector organizations await the completion of new regulations. In some cases, expansion has actually been barred by official action of the Agency--notably in the areas of trainee, camp counselor, and summer student travel/work programs. While I and most of my colleagues are encouraged by the Agency's actions in the past six months, much remains to be done before we know whether the regulation of exchanges is aimed at facilitation and promotion of responsible exchanges or control and confinement of those exchanges. Of all of the aspects of the U.S. Government's involvement in exchanges, this is the single most critical one that rests in USIA's hands at this moment.

It is also important to recognize that whatever success USIA has in creating an effective and appropriate set of rules for the J Exchange Visitor Program, there are scores of exchange programs operating outside the realm of USIA's supervision. While many of these exchanges are legitimate and well-known, such as IEA member organizations like the Friendship Force and People to People International, this is an area of concern to many of us in the exchange community and deserving of closer scrutiny by this Subcommittee. We often find that the worst cases of abuse and greatest amount of public attention are focused on activities that are wholly unregulated by USIA or any other agency. These abuses, when they occur, paint all exchanges with same brush of disrepute. We in the private sector are ready and willing to address this concern with USIA and Congress.

SUCCESSES IN INTERNATIONAL EXCHANGE: OUR ALUMNI

Our members' exchange participants find their way into all reaches of their respective countries--

and often into positions of leadership and significant responsibility. For AFS, this is exemplified by Cesar Gaviria-Trujillo, a 1963 AFS exchange high school student in Fresno, Calif., and now President of Colombia (the President's wife, Ana Milena Munoz de Gaviria was also an AFS student, staying with a U.S. host family in Ohio in 1972). Of his U.S. exchange experience, President Gaviria has said it was of special significance that strengthen and enriched his life. From the Association for International Practical Training, we find the case of John Macrae, a 1953 summer trainee with a U.S. business in Louisville, Ky. Macrae is now the British Ambassador to Morocco and his experience in the United States was so positive that his son Marcus came to the United States 31 years later to work with a U.S. corporation in Longview, Texas, in 1984 and 1985. For the National Council for International Visitors, the story is of the 1976 visit to the United States by the future president of South Africa as an International Visitor Program participant. F.W. De Klerk has credited that visit with giving him an understanding of the vitality of a multiracial society and the encouragement to pursue a vision for an apartheid-free South Africa. These are but three of literally hundreds of thousands of examples of individuals who have visited the United States on exchanges and carried the special lessons of the experience back into their own societies. They have most often come to us during their formative years as teenagers, young adults, or promising future leaders. They return home with a better understanding not only of us but of themselves, and from that understanding they build a better relationship between our country and theirs.

In putting forward these observations, I have suggested critical areas for attention in the upcoming deliberations of this Subcommittee when next year's USIA reauthorization takes place. The members of IEA look forward to working with you to improve on all of these concerns so that American exchanges can be more effective. With a better performance in these and other areas, I am confident that we can respond effectively to the challenges outlined here, especially those we face in the former Soviet Union and in our own exchange community.

Thank you.

Full Members

AFS Intercultural Programs
New York, New York

AIESEC-United States
New York, New York

American Council of Young Political Leaders (ACYPL)
Washington, D.C.

American Heritage Association (AHA)
Marylhurst, Oregon

American International Student Exchange (AISE)
La Jolla, California

American Scandinavian Foundation (ASF)
New York, New York

American Secondary Schools for International Students and Teachers (ASSIST)
Peterborough, New Hampshire

American Youth Work Center (AYWC)
Washington, D.C.

ASPECT Foundation
San Francisco, California

Association for International Practical Training (AIPT)
Columbia, Maryland

CDS International, Inc.
New York, New York

Children's International Summer Village (CISV)
Troy, Ohio

Citizen Exchange Council (CEC)
New York, New York

Communicating for Agriculture (CA) Scholarship & Education Foundation
Fergus Falls, MN

Council of International Programs (CIP)
Arlington, Virginia

Delphi International Group
Washington, D.C.

Educational Foundation for Foreign Study (EFFS)
Cambridge, Massachusetts

The Experiment in International Living (EIL)
Brattleboro, Vermont

The Friendship Force
Atlanta, Georgia

Girl Scouts of the USA
New York, New York

InterExchange, Inc.
New York, New York

International Christian Youth Exchange (ICYE)
New York, New York

Japan-America Student Conference (JASC)
Washington, D.C.

Minnesota Agricultural Student Trainee (MAST) Program
St. Paul, Minnesota

Nacel Cultural Exchanges
St. Paul, Minnesota

National Association of Secondary School Principals (NASSP)
Reston, Virginia

National Council for International Visitors (NCIV)
Washington, D.C.

National FFA Organization
Alexandria, Virginia

National 4-H Council
Chevy Chase, Maryland

Ohio State University Agricultural Intern Program (OSU-AIP)
Columbus, Ohio

Open Door Student Exchange
Hempstead, New York

Partners of the Americas
Washington, D.C.

People to People International
Kansas City, Missouri

Sister Cities International (SCI)
Alexandria, Virginia

Spanish Heritage-Herencia Espanola (SHE)
Forest Hills, New York

World Exchange
Putnam Valley, New York

World Experience (WE)
Hacienda Heights, California

YMCA International Program Services
New York, New York

Youth Exchange Service, Inc.
Newport Beach, California

Youth For Understanding (YFU)
Washington, D.C.

Associate Members

Ameurop Cultural Relations Foundation
Richmond, Virginia

Foundation for International Cooperation (FIC)
Rockford, Illinois

The GAP Activity Project, Inc.
New York, New York

Iowa Peace Institute
Grinnell, Iowa

Kiwanis International
Indianapolis, Indiana

The Lisle Fellowship
Temperance, Michigan

Mobility International USA (MIUSA)
Eugene, Oregon

North Carolina Center for International Understanding (NCCIU)
Raleigh, North Carolina

World College West
Petaluma, California

Youth Network Council of Chicago, Inc. (YNC)
Chicago, Illinois

03/03/92

the LIAISON GROUP for International Educational Exchange
1825 Eye Street, NW, Suite 475, Washington, DC 20006 (202) 659-0151

June 22, 1992

The Honorable Brock Adams
U.S. Senate
513 Hart Senate Office Building
Washington, DC 20510

Dear Senator Adams:

When the Senate considers the Freedom for Russia and Emerging Eurasian Democracies and Open Market Support Act (S 2532), the undersigned organizations urge you to support Senator Bradley's amendment to provide for a substantial five-year educational exchange program with the Baltic states and the former republics of the Soviet Union.

We believe that it is absolutely crucial to the future of these emerging democratic nations that the United States provide significant new opportunities for large numbers of their young people to benefit from the United States' unparalleled educational resources and to experience first-hand how democratic institutions and a free market economy operate. International exchange programs are a proven, reliable, low-cost means to provide this critical experience. It should be noted, for example, that Aleksandr Yakovlev, whom many regard as the main architect of the reform efforts of Mikhail Gorbachev, was a U.S. government-sponsored student at Columbia University in the late 1950's.

It is also critically important for our future relations with these nations that American young people have increased opportunities to live in the homes and study in the classrooms of their counterparts in the former republics of the Soviet Union. We must begin to learn the languages and study the cultures of this ethnically diverse region.

While we believe that several aspects of the Freedom Exchange Act (S 2777) which Senator Bradley introduced on May 21st need to be reviewed and some adjustments may be needed, we are confident that such changes can be made during further congressional consideration of the assistance legislation for the former republics.

In asking for your support for Senator Bradley's amendment, we also urge you to ensure that funds for these new exchanges not be taken from USIA's existing exchange programs. USIA's exchange programs, currently funded at under $200 million in total, are critical to maintaining relations both with the former Soviet Union and other world regions; many of those regions already having lost ground as programs with the former Soviet bloc have expanded. We are pleased, in this regard, to learn that the House Appropriations Committee has agreed to provide $50 million from the 1993 Foreign Operations appropriation to fund the exchanges Senator Bradley is proposing. It is critical that Congress provide additional funding at least at this level.

Thank you very much for your consideration of our views on this important issue.

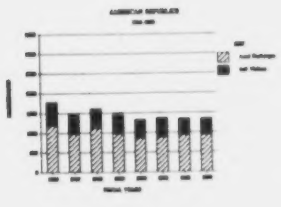
Academy for Educational Development
AFS Intercultural Programs
America-Mideast Educational & Training Services, Inc.
American Association of Collegiate Registrars and Admissions Officers
American Association of Community and Junior Colleges
American Council of Teachers of Russian/American Council for Collaboration in Education and Language Study
American Council on Education
American International Student Exchange
American Scandanavian Foundation
American Secondary Schools for International Students and Teachers
American-Soviet Cooperative Exchange
ASPECT Foundation
Association of International Education Administrators
Association for International Practical Training
CDS International, Inc.
Citizen Exchange Council
The College Board
Community Colleges for International Development
Council for International Exchange of Scholars
Council of Graduate Schools
Council of International Programs
Council on International Educational Exchange
Delphi International Group
Educational Testing Service
The Experiment in International Living
The Friendship Force
The Fulbright Association
Institute of International Education
InterExchange, Inc.
International Christian Youth Exchange
International Research and Exchanges Board
Latin American Scholarship Program of American Universities
Meridian House International
Nacel Cultural Exchanges
NAFSA: Association of International Educators
National Association of Secondary School Principals
National Council for International Visitors
National FFA Organization
North Carolina Center for International Understanding
Ohio State University Agricultural Intern Program
Open Door Student Exchange
People to People International
Sister Cities International
World Exchange
YMCA International Program Services
Youth For Understanding

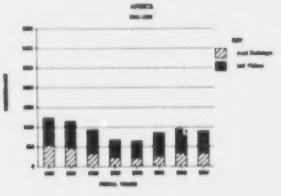
Sincerely,

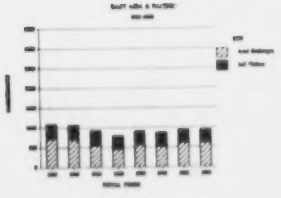
Carl A. Herrin
Executive Director
International Exchange Association

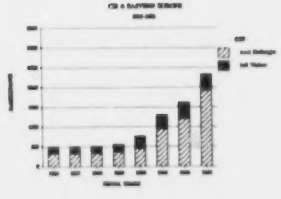
Norman J. Peterson
Executive Secretary
The Liaison Group for International Educational Exchange

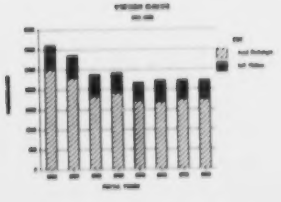
FY 1993 USIA EXCHANGES BY WORLD REGION

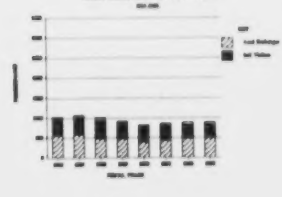












Mr. BERMAN. Thank you very much, Ms. Froistad.

Very interesting testimony.

I will recognize myself for 5 minutes for questions.

First, I might mention that we have been joined by the man without a nameplate, Mr. Sawyer, a Member of the full Foreign Affairs Committee. I wanted him to be on the subcommittee, but some people who decided they wanted to be on three subcommittees kept him off it, even though they never show up for any of our hearings. They are my best friends.

It is good to have you here.

Mr. Gilman also has joined us. He has been a strong supporter of these programs in the past.

My first question: Bradley-Leach programs which are now funded, at a much smaller amount than originally proposed, in the House Foreign Operations bill as part of the aid to the Republics of the former Soviet Union—remind me again, what are they focusing on in terms of exchange?

Ms. FROISTAD. In the final version, I am not sure how it came out. I think there is more on training of young workers.

Mr. FULTON. About 50 percent in the Senate version, which is $80 million total, 50 percent for high school exchange. The balance is divided among undergraduate students, graduate students, university affiliations and internships.

Ms. FROISTAD. The original was more heavily on the high school side.

Mr. BERMAN. This is not law. There is a broader bill. It has passed——

Mr. FULTON. It passed the Senate last week.

Mr. BERMAN. The House passed a version in the Foreign Operations Bill last week in the Obey legislation that provided $50 million, I believe——

Ms. FROISTAD. Yes. That is slightly different. They haven't yet come together, I believe.

This is your field, not mine, how they come together.

Mr. FULTON. That $50 million is directed at AID, as we understand it, as opposed to the Bradley bill.

Mr. BERMAN. That is right.

Could you comment in any detail—I guess any of the witnesses—on this whole question of the proliferation of federally funded exchange programs under the USIA and other departments and agencies?

Ms. Froistad started to touch on that a little bit.

Are we spending money unnecessarily? Are we having a kind of duplication overlap problem we should be trying to avoid?

Should we be having core programs focused on, perhaps, high school students or more academically oriented kinds of programs, and just expanding them rather than creating new programs?

To what extent has this caused a serious bureaucratic organizational problem which has resulted in the wasteful expenditure of funds and the lack of coordination? Mr. Fulton—you are the object of all of our activities here.

Mr. FULTON. In answer to one of your questions, Mr. Chairman, are we spending money unnecessarily or are there overlapping programs; I think the answer to that is decidedly no.

One of my colleagues meeting with a group of American Fulbright scholars and students on their way to Africa 2 weeks ago introduced our agency to them as the government's original cheapskate agency because of the tight-fisted way that we administer funds.

There probably is something to that, as you will undoubtedly hear from some of the private organizations. There is, nonetheless, I think a legitimate question of coordination of programs that are appropriated into the budgets of different organizations.

We publish annually a report on U.S. Government exchange and training activities and our relation with the private sector, and in that report we identify 22 Federal departments and agencies that have exchange programs of one sort or another. And these run from ones that are small to major programs like the National Security Scholarship Program that was enacted last year in DOD.

So I guess the advice I first heard when I joined the government 25 years ago in a book called, "Up The Organization," never take a job with coordinator in the title, is good advice.

Mr. BERMAN. Senator Fulbright, let me ask you—are you satisfied at this point with the quality and stature of the Fulbright program in terms of how it is being administered, who is being chosen?

Are we getting the best people?

Is there the kind of diversity in the program that you would like to see?

Do you have any thoughts on this?

Mr. FULBRIGHT. Well, I think it has been well administered on the whole, but I would like to see it supported more strongly. I think we have a great opportunity now, as I have already said, in the old, former Soviet Union, to greatly increase this, and this is a way to help those people reconcile them to the non-Communist method of doing business and I think it is a great opportunity.

I just think it is too small an effort to do it. I would like to see a little more concentration in the Senate in the program. I think the Fulbright program has been well administered, on the whole, since the beginning, and the foreign countries have done an excellent job. The Europeans have their own committees which administer the Fulbright program in their countries.

I think they have done an excellent job, and it has been extremely free of any suggestion of favoritism or anything of that sort involved in the selection of the personnel.

I think its administration has been very good on both sides.

Mr. BERMAN. Let me do a bit of a followup, and then I would yield to Mr. Miller. We are dealing with the tremendous constraints imposed by the massive deficit, by the Budget Enforcement Act. In this post-Cold War world, what should be the allocation of resources between broadcasting, the Voice of America, the other radios under the Bureau for International Broadcasting, Radio Free Europe and Radio Liberty, the requests we are getting now to expand to Radio Free Asia and Radio Free China, and expanding these educational exchanges.

Do any of you have thoughts on those kinds of priorities, recognizing that it is a very artificial limitation, but much of the struc-

ture of the present process certainly limits us to those kinds of tradeoffs?

Mr. FULBRIGHT. Of course, I am very prejudiced about that. I don't think—radio broadcasts don't leave any impression with me. I think all of them would be better spent on the individuals.

Mr. BERMAN. You are not talking about the U.S. radio broadcasts, you are talking about the ones abroad, now?

Mr. FULBRIGHT. That is right. They are so obviously patterned—it is propaganda—that I don't think it fools anybody; it is propaganda.

I don't think it has the real substance that this has. We are dealing with people who have become influential in their countries. It is people like you and the Congress that make the difference.

It is not the newspapermen who write the stories; it seems to me it is you Members who actually make the laws and do the decisions. That is the type of people that you are dealing with in the exchange.

I don't think—you know it is very dangerous to criticize any of these activities, but since you mention the question, I think we waste an awful lot of money on the advertising, I will call it, aspect of these programs.

They have their followers, and I am sure it is a very controversial issue. I used to be deeply involved in that.

I think dealing with the individuals who in the end are just like you people here in the Congress who make the difference— it is not the newspaper reporters out there that make the difference. They have a role but it is nothing like the importance of you people.

It is your kind of person in these other countries that I am seeking to influence. I think they are much more important.

I don't object to any of these activities but it is a relative matter. I think this is far better.

Ms. FROISTAD. Well, Senator Fulbright said it very well.

Mr. BERMAN. I am waiting for Mr. Fulton's answer.

Ms. FROISTAD. A word about exchanges. I think that the power of intelligent people to change the world is demonstrated every day and people are influenced by interaction with each other and by exchange of dialogue. Radio is by definition a one-way means of communication, not two-way.

I believe that exchange is well-served and our public diplomacy is better served in the largest sense and in the long term by people-to-people exchange. When I was a Peace Corps volunteer, I used to listen to the news in special English.

Mr. BERMAN. The news in special English?

Ms. FROISTAD. Very slowly spoken. It was for people who were learning English.

Mr. BERMAN. Mr. Fulton, you think the President's budget submission strikes exactly the right balance between——

Mr. FULTON. Mr. Chairman, I couldn't have said it better myself. I think to pose the question is to assume that the answer is to choose one or the other.

Mr. BERMAN. Are you suggesting we get it out of the defense budget?

Mr. FULTON. I better stick with USIA. But within USIA, while I am here today to speak of the bureau in which I work and have no particular competence on the Voice, nonetheless, one recalls the reaction of Havel when he first came to the United States about the impact the Voice of America had on him.

One recalls the role Voice of America has played and continues to play in China as it struggles to free itself.

So I think that a genuine case can be made, even by those who feel passionate about the value of exchanges, for exchanging information as well through the media that work best in a given country. In a closed society VOA is often the only means we have to reach large numbers of people.

Mr. BERMAN. It was pointed out to me, and I think it is good to share this with everyone, the present fiscal year 1993 authorization of USIA, of approximately $1.15 billion, the Bureau of Educational and Cultural Affairs accounts for approximately $238 million of that. Of the $238 million, Fulbright programs account for approximately $113 million and the International Visitor Program for approximately $45 million. But by far the preponderant share of the USIA funds is on the broadcasting side.

Mr. FULTON. I would add to that our activities overseas probably are 50 percent in support of cultural affairs, and that part of the budget is not carried under our bureau. So if you looked at all the overseas activities, all of our cultural affairs officers——

Mr. BERMAN. USIA Foreign Service?

Mr. FULTON. That is right.

Mr. BERMAN. Mr. Miller.

Mr. MILLER. Well, I think this is good to get a frank discussion of priorities. I think, Mr. Fulton, you made a good point, however, that maybe individual exchanges are better when you can have unlimited exchanges, uncontrolled exchanges between free countries.

But I think in terms of bringing information to countries that don't want to engage in free exchanges, I don't see how you can deny, one can deny the value of the Voice of America, or in the past a Radio Free Europe, or in the future a Radio Free China.

But getting to some specific questions, I noticed in your statement, Senator, you mention something that has troubled me, and that is that if you look at the, I believe it is the student exchange with Japan, I think you said 36,000 are going from Japan to the United States, and is it 1,200, something like that, the other way?

Mr. FULBRIGHT. That is right.

Mr. MILLER. I think that—I have run into that in my own area of the country. I have seen a firsthand example of how this works.

How do we change that?

How do we get more—and this is addressed to anybody—how do we get more Americans to go to Japan?

I will give you an example from my own area. I have a community college, in Edmunds, Washington, and some Japanese businessmen said we would love to have you start a campus in Japan and we will pay for the campus. So they did it. There are all these Japanese students learning English.

I said to the head of the college, I have nothing against this, this is wonderful, but why don't you get these Japanese investors to

fund a program in the United States where American students can learn Japanese?

Everything in our whole educational relationship here seems to promote disproportionately foreign understanding of our country versus our country's understanding of the other country. How do we get a better balance here?

Mr. FULBRIGHT. I think that is the result of the old idea Americans had that we were the best in the world and everybody ought to come here and learn how we do things. It is just part of our conceit.

It is time we got over it. It is time the United States acts like other countries. We are normal people and we are not God and we have to act like regular people and do things like other countries.

You are right; I think it is disgraceful that we have so few going to Japan. Japan is extremely important. You know what has happened in our economy, what they have done to the automobile industry. They didn't do it by force of arms. They did it because they did a good job.

We have to learn to do the same thing in reverse. I think they have given us a good example that we ought to imitate, it strikes me.

Mr. MILLER. Is there anything specifically that we could do in this committee, legislation that would encourage more Americans to go to certain areas?

Mr. FULBRIGHT. I think the exchange program is a good program. We should encourage it. I have been out so long, I am not familiar with what is really being done.

I am over the hill, as you well know. I came in the Senate 20 years ago, before any of you people did.

Mr. BERMAN. Twenty years ago?

Mr. FULBRIGHT. I left it, I meant. Fifty years ago. I am over the hill. I don't know er ough about it to give you an intelligent answer to this.

But I would like to see us increase our exchanges with Japan. Now, I don't know whether we make available the same amount of money that they do. They have taken it very importantly.

Look at the situation after the war. They were down and out and we were the big dog, you know. We invited them and we made available the funds so that they could come here very, very reasonably, right after the war, and they took full advantage of it and we just didn't think we ought to—we had the attitude we couldn't learn anything from anybody, we already knew.

Mr. MILLER. But you know today I think Americans recognize that Japan is a world power——

Mr. FULBRIGHT. Just recently, that is right.

Mr. MILLER. And yet—well, Mr. Fulton, Ms. Froistad, do you have some suggestions on what can be done here?

Mr. FULTON. I certainly share your concern and the Senator's concern. The imbalance is something that should concern us all.

I point out that most of this imbalance is due to funding from private resources or resources other than the U.S. Government. The Japanese Government has supported in a variety of ways these students coming here.

Mr. MILLER. So our funding is not imbalanced. We are offering the same incentives for U.S. students to go abroad.

Mr. FULTON. We have currently within the Fulbright exchange program about the same number of American and foreign scholars, about a thousand each way. On the student side, there is an imbalance. There are more foreign students than American students, but the total numbers are relatively small.

Even if we put them totally in balance, it won't seriously address this problem. The Fulbright program is supporting about 500 worldwide American graduate students abroad. So it wouldn't touch this balance.

There are a couple of things that might. The National Security Scholarship Program, when it is up and running—that is not under our administration, but that could touch on it. Nonetheless, it is clear that other governments, including the Japanese Government, have been much more aggressive than we have on this issue.

Ms. FROISTAD. In terms of privately funded exchanges, we work in the marketplace. As the Senator said, the prevailing attitude had been that people should come here and learn from us and we did not have that much to learn from others.

We have read the statistics about how poorly American students score in terms of geography and understanding about world politics. When we in a market-based system, 80 percent of the students choose to go to France, Germany or Spain because those with are the countries they are familiar with, those are the languages they study, those are the places they have seen or read about. People are somewhat afraid of going to Japan because they are afraid they will not be able to speak the language or be different. They don't see the natural relationship.

There needs to be more funding for exchanges that people don't choose to go to. I am not suggesting that you create another Congress-Bundestag Program, because those are very small in terms of their scope. This exchange program between the United States and the Bundestag in Germany, which is one of the congressionally mandated, I believe, exchange programs, is the largest youth exchange activity of USIA. I am not suggesting a particular program is the answer.

The other is outside of this committee in promoting broader international education, generally, and the third is getting third-party funding. Funding is necessary. The most exchanges to Japan and non-Western countries are funded either by corporations, and largely, in the case of Japan, by Japanese corporations. The Japanese pay for not only the students coming to the United States; they are paying largely for American students going to Japan.

Mr. FULTON. I note two programs the Japanese Government sponsors, one that started several years ago in which they bring to Japan recently graduated Americans to teach English in their schools. They are doing that for obvious purposes, but of course it gives those Americans cultural experience. There are hundreds involved each year in that exchange.

Mr. MILLER. Wouldn't it be great if we had a program to bring Japanese here to teach Japanese in our schools?

Mr. FULTON. The Japanese are starting this year that program in this country. They are sending Japanese here to teach Japanese in

our schools and we are adding to that program a modest enhancement to give some orientation to those people when they come here; but it is primarily Japanese.

Mr. MILLER. It sounds from some of your comments that another thing we might do is to encourage Japanese language instruction at the lower levels. There are more students familiar with the Japanese language who will want to go there. That is a subject that I think we could pursue.

I happen to have a bill on that. It is a complicated issue.

Ms. FROISTAD. I was reminded of the fact that the International Exchange Association and the Liaison Group are right now involved in a study of the U.S.-Japan exchange relationship. The results of that study will be available later this year. We would be happy to share them with members of the committee and with USIA.

Mr. BERMAN. Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman.

I want to commend you for conducting this hearing.

Is there a proper coordination of all of these fractional programs that we have out there and is there some way to avoid over-language and to make certain that we are focusing in on the best and getting them to the proper areas in the world?

Does USIA act as a coordinator, Mr. Fulton?

Mr. FULTON. We have by statute a coordinating role. One, however, coordinates but does not control appropriations given to other bodies of the government. We believe, nonetheless, that there is little overlap in the particular programs. We maintain good relations with our counterparts in State, AID, DOD, the National Endowment, the Department of Education to try to assure there is no overlap.

Could there be a stronger coordinating role?

Yes, I think so.

Mr. GILMAN. Is there any other group involved in coordination?

Mr. FULTON. Private organizations have a good bit of coordination among themselves and they can better speak to that. But within the government, we are charged with that responsibility.

Mr. GILMAN. Senator Fulbright, do you think we ought to be doing more by way of coordination of these programs and keep some sort of centralization?

Mr. FULBRIGHT. I would think it would be more efficient. I don't really know much about that. The only one I have tried to follow is the Fulbright program itself.

I have been to a number of those meetings and they have a very good board, distinguished citizens who oversee it here. I think it functions quite well.

I am not familiar with the other coordination. I was a little surprised today to hear about so many private nongovernment programs in this field. I don't know enough about them.

Mr. GILMAN. What is the total number of students involved in all these programs?

Mr. FULBRIGHT. Americans going abroad, I think it is in the neighborhood of 70,000.

Mr. GILMAN. Is that the total number in all these exchanges?

Mr. FULTON. I will get you that number. The number that we directly support through grant from USIA, and I am not talking about the other organizations we coordinate with, is relatively modest.

[The publication *Open Doors* states that 70,727 American students received academic credit from a U.S. accredited institution of higher education after returning from a study abroad experience in the 1989-90 academic year. Relevant pages from *Open Doors* are bracketed and follow:]

Part V: STUDY ABROAD - Open Doors

INTRODUCTION

While the United States plays a key role in international educational exchange as the leading receiver country of international students worldwide, it is also becoming an important sender nation as increasingly greater numbers of American students pursue education abroad. Before 1986/87 no effective data collection strategy had been developed to capture the full picture of study abroad by American students. In the late sixties and early seventies IIE surveyed foreign institutions of higher education directly requesting information on numbers of American students enrolled there. Due to the difficulties inherent in this methodology, the response rate was very low and this survey was abandoned.

In the late seventies and early eighties IIE made another attempt to collect information on American students studying abroad. Under this methodology, the data were obtained from directors of university-sponsored study abroad programs. Although the data collected during these years were superior to those from the older survey, they could not give an accurate picture of study abroad, because they captured only those enrolled in programs organized by colleges and universities in the United States. This, combined with a steady decline in the response rate, led to the decision to discontinue the publication of these data in 1984/85.

The only other source of information on student mobility from the United States to other countries was the Unesco *Statistical Yearbook*. This, however, reports only on students enrolled in degree programs and, thus, does not include students in summer or semester programs, a large component of the overseas U.S. student population.

TABLE 11.0

Study Abroad Survey: Response Rates, 1987/88-1989/90

Responses	1987/88	1989/90
Institutions		
Surveyed	2,904	1,164
Responding	1,703	905
With No Study Abroad Students	899	190
With Study Abroad Students	804	715
Students Reported	62,341	70,727

TABLE 11.1

Response Rate to Individual Variables, Study Abroad Survey, 1987/88-1989/90

Category	1987/88		1989/90	
	Number	Percent	Number	Percent
Host Country	51,969	83.4	60,549	85.6
Field of Study	36,501	58.5	41,031	58.0
Academic Level	42,041	67.4	50,015	70.7
Gender	41,111	66.0	48,967	69.2
Duration of Study	49,938	80.1	61,001	86.2
Total Responses	62,341	—	70,727	—

In 1985/86, in response to considerable and growing interest in U.S. higher education circles in the magnitude of study abroad activities by American students, IIE undertook a new survey of study abroad flows. The survey has been conducted biennially since then, with the 89/90 survey being the third in the series. The current survey methodology offers the most comprehensive data on a major sector of the study abroad population, and the first comparative data for determining patterns in the evolution of study abroad.

While there are a large range of "overseas opportunities" in which American college students participate (study/travel tours, internships, practical training, etc.), the study abroad survey conducted by IIE focuses specifically on study abroad for academic credit. It is intended to serve those who are involved in the planning of efficient use of university and college resources, those who design undergraduate curricula and overseas programs, and those who need to know how many and which kinds of students are presently, and in the likely future, obtaining a significant portion of their education at an institution in a foreign country.

The study abroad population in this survey has been narrowly defined as only those students who received academic credit from a U.S. accredited institution of higher education after they returned from their study abroad study experience. It is not a survey of study abroad programs to determine the numbers of students enrolled in them and to obtain other information about them. (IIE's *Academic Year Abroad* and *Vacation Study Abroad* provide detailed information on study programs worldwide for U.S. students). The number of students who receive academic credit is inevitably lower than the

TABLE 11.2

Program Type of U.S. Study Abroad Students, 1987/88-1989/90

Program Type	% of Study Abroad Students	
	1987/88	1989/90
Sponsored by U.S. Institution	84.9	82.1
Direct Enrollment in Foreign Institution	11.6	10.3
Other	3.5	7.6

TABLE 11.3

Host Region of U.S. Study Abroad Students, 1987/88-1989/90

Host Region	% of Study Abroad Students	
	1987/88	1989/90
Africa	1.2	1.3
Asia	5.1	5.0
Europe	75.4	76.7
Latin America	9.2	9.4
Middle East	4.7	2.7
North America	1.4	0.8
Oceania	1.2	1.9
Multiple Regions	0.8	2.2

number of US students who go abroad. The figures presented here, therefore, give a conservative picture of study abroad activity.

THE 1989/90 SURVEY

Survey forms were sent to 1,164 accredited institutions of higher education. This number is much smaller than the number of schools surveyed in the past, because two years' experience had proved that the original lists included many which had no study abroad students. Therefore, IIE staff, in consultation with the International Education Data Collection Committee (IEDC) and with administrators with expertise in the field of study abroad, eliminated a large number of schools from the mailing list, keeping only those known to have study abroad students. Periodically, we will survey all schools to see if others should be added to the survey mailing list.

Survey forms were sent to accredited institutions of higher education which had reported granting credit to students for overseas study in either of the two previous surveys, or were known to have a study abroad program through a listing of study abroad coordinators maintained by IIE or a review of publications on study abroad programs. The surveys were addressed either to contacts established with the 1987/88 survey, or to contacts used for other IIE study abroad related publications.

We were able to obtain information from 905 or 78% of the 1,164 institutions to whom we sent the surveys, as shown in **Table 11.0**. Of the responding institutions, 715 reported having given credit for study abroad, while 190 reported having no study abroad activity for that year. With 80% of the respondents reporting study abroad enrollments, this mailing list includes most, if not all, of the right institutions, and is periodically reviewed by the IEDC. **(A list of the institutions which responded to the survey along with their study abroad totals appear in Appendix C.1.).**

Not all institutions that reported having given credit for study abroad in 1989/90 provided detailed information about the characteristics of the students, as shown in **Table 11.1**. The proportion of schools that gave breakdowns for individual variables ranged from 58% for field of study to 86% for duration of study.

OVERALL FINDINGS

The survey data, presented in **Table 11.0**, show that a total of 70,727 students received academic credit for study in another country in 1989/90, 8,386 more than the 62,341 reported in 1987/88. This represents a large increase of 13.4%.

Of the 70,727 students who received credit for studying abroad in 1989/90, 92.1% were enrolled in programs sponsored by U.S. institutions of higher education and

TABLE 11.4

Leading Host Countries of U.S. Study Abroad Students, 1987/88-1989/90

Host Country	% of Study Abroad Students	
	1987/88	1989/90
United Kingdom	28.5	27.0
France	12.0	12.8
Spain	7.9	10.4
Italy	7.7	8.4
Mexico	5.3	5.0
Germany	5.0	4.7
Austria	3.1	3.0
Israel	3.5	2.6
Japan	2.2	2.1
U.S.S.R.	1.3	1.9
Australia	1.9	1.6
Switzerland	1.5	1.5
Costa Rica	0.8	1.5
Ireland	0.9	1.1
Greece	0.8	1.0

There is an exchange of 13,000 or 14,000 a year sponsored by USIA which includes all exchange activity.

Mr. GILMAN. Do all of these exchange programs touch base with you at some time or do they just go their own way?

Is there any requirement that they fell under your scrutiny?

Mr. FULTON. There is no requirement that private exchanges touch base with us, with the exception of organizations that sponsor students under the J-1 visa program. They have to have certification from us, but once they have that——

Mr. GILMAN. What is the certification?

Mr. FULTON. Mr. Mora should address that.

Mr. MORA. Representative Gilman, approximately 200,000 visitors come to the United States annually under the J visa. Approximately 180,000 of them are J-1 principal visitors. The other 20,000 are dependents. These visitors are brought over by 1,200 sponsoring organizations designated by USIA to act as exchange sponsors.

Mr. GILMAN. You approved 1,200 individual organizations?

Mr. MORA. Yes, sir. That is a blend of governmental, Federal, State, local entities and private organizations.

Mr. GILMAN. In order for people to get a J-1, do they have to go through some process in your agency?

Mr. MORA. No, sir. Generally it is directly between the sponsoring organization and the individual visitor. Ultimately, the visitor presents a form provided by our agency through the sponsoring organization to the American consulate in the country of origin and the consulate provides the J-1 visa to the visitors. So there is not necessarily any direct contact with the agency in the transaction which produces the J-1 visa. Of course, in some instances the Agency itself is the direct sponsor of the visitor, as in the case of the International Visitor Program. In such cases the Agency is directly involved in the process which produces the J visa.

Mr. GILMAN. Then you are aware of every exchange student through the visa program?

Mr. MORA. We are aware ultimately of the students through our computerized data processing, through information provided to us by Customs at ports of entry, and by information provided to us by a sponsoring organization from time to time, including a year-end report which indicates to us what the basic exchange activity has been, the numbers, et cetera.

Mr. GILMAN. If you were to see four or five agencies have been working with an exchange program, say, with France, and you see there are no exchange programs in another country, do you try to focus attention on that among the private organizations to get a little better balance?

Mr. MORA. This is probably a question Mr. Fulton can address in part. It is not as a function of the J-1 visa program. The J-1 visa program is intended primarily to facilitate the activities.

Mr. GILMAN. Does that indicate some shortcomings you subsequently try to correct?

Mr. MORA. I think the agency tries to look at the macro changes. The agency takes a broader picture in the effectiveness of our programs.

Mr. GILMAN. What do you do when you see that shortcoming?

Mr. FULTON. As we have no control and in fact would want no control over the independent activities of the private organizations, we don't do anything. Regarding the programs that we directly sponsor, we are quite aware that in the Third World where there are fewer private exchange opportunities and we, with our own program, have to try to compensate.

But in terms of the gross numbers, even if USIA shifted all its resources to those countries, and we are exchanging something like 13,000 or 14,000 exchanges in a year, we would not drastically change the 200,000 or 300,000 or 400,000 people who are moving back and forth or who are present here in a given year.

Mr. GILMAN. Well, do you try to encourage some programs to be established in an area, say, where there is a vacuum and there is not a present program?

Mr. FULTON. The most recent example, and this is one that originated last year in the Congress with a $7 million appropriation, was to develop an exchange program for citizens of the former Soviet Union. We moved into that quickly and will bring this fall 140 graduate students here to study law, business, economics and public administration.

We take those opportunities when we have the resources to do it. We do it vigorously and aggressively. There is not a great deal of flexibility to respond overall to the magnitude of the problem that we are all discussing.

Mr. GILMAN. Are you involved with the Congress-Bundestag Program at all?

Mr. FULTON. Yes, sir. That is part of our appropriation. We administer them.

Mr. GILMAN. I questioned the program. It is established as the Congress-Bundestag Program, but I don't know if there is any congressional involvement in that program. Do you know of any congressional involvement?

Mr. FULTON. Well, we have a series of briefings when people first arrive. The Congress-Bundestag Exchange Program has two components. One is a youth exchange between us and German high school students. The other is an exchange between U.S. congressional staff and the staff of the German Bundestag. I will provide additional information for the record on the staff exchange.

[The information follows:]

THE CONGRESS/BUNDESTAG STAFF EXCHANGE

The Congress/Bundestag Staff Exchange was initiated during the 1983 German-American Tricentennial Celebration. This annual exchange program allows staff members from the U.S. Congress and the German Bundestag/Bundesrat to visit each other's countries and to familiarize themselves with the roles of their counterparts in the legislative process. The 10-member German delegation, which is selected by the German Bundestag, visits the United States under the auspices of USIA's International Visitor Program. This 3-week visit generally takes place the last week in June and the first 2 weeks in July. The visit of the German staffers follows a similar exchange visit of 10 U.S. Congress staffers to Germany which is sponsored by the Agency's Office of Academic Programs. The 2-week visit of the American delegation generally takes place 2 or 3 months prior to the Germans' visit to the United States. Both sides contribute to the cost of this two-way exchange.

USIA's Office of International Visitors has been assisted for the past 6 years in arranging the program for the German delegation by the Congressional Staff Group on Germany, an informal group of congressional alumni of this exchange program. The coordinator for the 1992 German visit was Mary Wakefield, Administrative As-

sistant to Senator Quentin Burdick. She succeeded a member of Congressman Ralph Regula's staff, Connie Jones, who was program coordinator from 1988 through 1991. USIA is also assisted in developing the program each year by one of our cooperating, private sector program agencies. The program for the German group is a close collaboration between USIA, the Hill and the private sector.

The purpose of the 3-week program—most of which is spent in Washington, D.C.—is to give the German participants an in-depth look at the organization and operations of the U.S. Congress, its place within the larger framework of the U.S. Government, and various forces in both the public and private sectors that influence the legislative process. Opportunities are also provided for the group to examine various issues of mutual concern to both countries and to experience not only the political, but the cultural and social life of the United States. This is accomplished through discussions with Members of Congress, their personal and committee staffs and staffers from the Congressional Research Service, officials in the executive and judicial branches, and lobbyists, journalists and other representatives of the private sector. To learn about America beyond the beltway, the participants are hosted in congressional districts where they view the organization of a district office and participate in local festivities on the Fourth of July.

[Extract from the Congressional Record, June 30, 1992, S9194, follows:]

CONGRESS/BUNDESTAG STAFF EXCHANGE

Mr. BURDICK. Mr. President, this is the 10th year that the U.S. Congress and the German Bundestag have had a staff exchange, and I would like to welcome 10 staff people from the German Bundestag and Bundesrat who recently arrived in Washington, DC. The 1992 German delegation consists of Joerg Allkaemper, Rainer Dornseifer, Walter Greite, Dr. Astrid Henke, Dr. Lothar Kolbe, Gabriele Lenz-Hrbek, Ute Mueller, Wolfgang Mueller, Dr. Andreas Pinkwart, and Dr. Uwe Stehr. They will be attending a wide range of meetings in the next 3 weeks as they study our system of government.

Nine staff people from the United States House, Senate, and Congressional Research Service recently spent 2 weeks in Germany studying their system. This year's U.S. delegation attended briefings at the Chancellor's Office, the Foreign Ministry, the Economics Ministry and the Defense Ministry. They also met with Georg-Berndt Oschatz, Secretary-General of the Bundesrat, and other high-level officials in both Eastern and Western Germany.

This exchange provides a valuable opportunity for staff people in the legislative branches of two of the world's leading democracies to compare notes on topics ranging from abortion to parliamentary procedure, from economic problems to German-American cooperation. I would like to take this opportunity to commend the U.S. Information Agency for this worthwhile program to improve understanding and relations between our two countries.

Mr. GILMAN. It seems to me when you call it a Congress-Bundestag Program, you would give Congress an opportunity to have some input, for example, on recommending people to take part in it and to have some sort of involvement with the Bundestag people who come over.

We established, as you are probably aware, the Korean-Congress exchange program with interns during the summer months. There the Members of Congress make a nomination. They go over and work with the Korean parliamentarians in the summer and they send over Korean students who work in our offices.

But I did not know of any real involvement in the Congress-Bundestag Program. You hold it out to be a congressional exchange. I don't think it is much of an exchange, except they have one assembly where some people come and talk to them. I urge you to take a look at that. You might get Congress more involved.

I want to commend USIA for all you have done. I hope you coordinate more and try to find areas where we might expand.

You might go out to Paris where you may not have anyone out in *tee bores* or something of that nature.

Mr. BERMAN. Thank you, Mr. Gilman. We do have a vote on. There are some issues I wanted to raise, but the timing of this transportation bill does not work out too well. I may file some questions with you for the record in the context of figuring out what to do.

All of you have been very helpful and have given life to these programs for us.

I want to ask a narrow question, Mr. Fulton, perhaps to your general counsel regarding the Beirut agreement. I managed to put into the Foreign Relations Authorization Act, which is now law, a section 207, to ensure that the educational certification and duty-free treatment of audio and visual materials is done in a manner that is consistent with the First Amendment.

In the most recent pleadings the U.S. Government filed in the Bullfrog Film's case, you indicated the Executive Branch is considering whether or not the United States should withdraw from the Beirut agreement. While the administration opposed my amendment, neither in my hearings in the last Congress on this issue nor in the President's signing of the statement in the Reauthorization Act was there any indication that were that amendment to become law, as it did, that you would withdraw or even entertain the possibility of withdrawing from the agreement.

I don't see why an effort to have the administration exercise its authority under the agreement in a manner that is consistent with the Constitution of the United States, in other words not denying or granting certification based on the content of the message, why then is in any way inconsistent with the Beirut agreement overall.

I am wondering what the USIA's position is on this.

Mr. MORA. Yes, sir. One point of clarification. In my testimony before you on precisely that amendment, I conveyed the administration's opposition to the amendment because of the problematic effect which the amendment would have on the treaty compliance.

Be that as it may, USIA has attempted, and we think, we believe successfully, to harmonize your amendment with the treaty provisions and have drafted regulations to do so.

We have circulated those regulations within the administration for discussion and debate. USIA has heard from the State Department concerns about whether or not we have been successful in reconciling the amendment with the treaty language.

The Justice Department raised concerns about whether or not we would enter into impermissible content analysis of the audio visual material submitted for consideration to the agency. I have not yet had the opportunity to see State's or Justice's formal legal positions on this issue, so I regret I cannot give you a more detailed answer to your concern. But I do want to assure you that USIA is attempting in good faith to reconcile both the treaty and your amendment and we think that we have managed to do so with our draft regulations.

Mr. BERMAN. Let me say something at this point, particularly that I want the administration to know, but before I say this, let me be sure I understand. You think that USIA has promulgated

appropriate regulations which can reconcile your obligations under the Beirut agreement and section 207?

Mr. MORA. That is correct.

Mr. BERMAN. OK. It would be my intention, if the administration decided to withdraw from the Beirut agreement, to introduce legislation to provide for certification and reciprocal duty-free treatment as a matter of U.S. law unilaterally and not conditioned on whether or not we were part of this agreement or not.

I think this promotes an important public purpose, and we should be doing this anyway, as we are doing under the agreement. I don't think it should be based on whether we like the message in the educational materials or whether we don't like it.

Mr. MORA. Yes, sir.

Mr. BERMAN. OK. Again to all the witnesses and particularly to Senator Fulbright, I want to thank you very much for being with us this afternoon and sharing your thoughts and your passions for these exchange programs.

I do know one thing, a representative of the administration did get a representative of the administration to indicate that at least part of the reason that the Cold War ended and we had one is not simply that we built M-X missiles, but that we also had some important programs involving exchanges and other things where the American idea also won out.

Thank you. The hearing is adjourned.

[Whereupon, at 3:35 p.m., the subcommittee was adjourned, subject to the call of the Chair.]

APPENDIX 1

July 8, 1992

The Honorable Howard Berman
Chair, Subcommittee on International Operations
House Foreign Affairs Committee
709 O'Neill House Office Building
Washington, D.C. 20515-6133

Dear Representative Berman:

As the Subcommittee on International Operations considers the academic and cultural exchange programs of the U.S. Information Agency, I would like to bring to your attention the advantages of the use of debt swaps to extend federal dollars spent for international programs abroad.

Through the innovative exchange of international debt, scarce dollar resources can be leveraged to increase the amount of local currencies available for support of academic and cultural exchange programs in the debtor countries.

As an example, the Debt-for-Development Initiative currently implemented by the U.S. Agency for International Development (USAID) has successfully leveraged a number of its grants by more than 130 percent, thereby extending its resources for overseas programs. This means that more than $32.8 million has been used for debt transactions, resulting in about $42.5 million in additional funds for overseas programs.

Many of the current programs of USIA could be similarly enhanced. The Debt-for-Development Coalition, Inc., is a not-for-profit organization which works with many exchange groups and especially with colleges and universities, which support the concept of allowing debt conversions for USIA programs. On behalf of these groups, I offer the following short testimony to explain how debt swaps could assist these exchange programs.

Sincerely,

John B. Ross
President

OPPORTUNITIES TO INCREASE FUNDING RESOURCES FOR USIA EXCHANGE PROGRAMS THROUGH THE USE OF DEBT SWAPS

Testimony Presented by JOHN B. ROSS, President
The Debt-for-Development Coalition, Inc.

For The House Foreign Affairs Committee
Subcommittee on International Operations
July 9, 1992

Within the past five years, a new mechanism called "debt swaps" or debt conversions has increasingly been used in the financial market to provide increased resources for overseas educational, development and social programs in a number of debtor countries. The United States Information Agency (USIA) in its role as manager of an array of educational and cultural programs overseas now has new opportunities to use this mechanism as a means of leveraging its funds to receive maximum program benefit for dollar expended.

Since the international debt crisis emerged this past decade, a number of debtor countries have agreed to an array of options to effect debt reduction. By permitting investors and non-government organizations (NGOs) to convert dollars to local currency through debt conversions, blocked currency transactions and other mechanisms, these organizations benefit from preferential exchange rates for certain approved programs.

Debt-for-nature and debt-for-development programs, often with the use of federal funds, have increased the amount of local currencies available for U.S. programs overseas in environmental or development areas. This concept is equally adaptable to educational and cultural exchange programs.

While debt conversion programs are not possible in all debtor countries, opportunities are possible in many countries in which USIA is active. For example, in April, 1992, Mexican government officials indicated that more than $400 million in debt for development conversions had been completed by NGOs. While current debt conversion programs are possible now in some countries in Latin America, Africa and in the Philippines. New possibilities in Central and Eastern Europe and the former Soviet republics may open in the near future.

With the tight budget situation, debt conversion programs offer one means of expanding overseas activities for USIA without the cost of more dollars. It would allow the continuance of exchange programs at current levels or the addition of new programs without additional resources, by providing a means to increase local currencies for in-country costs.

Debt swaps are possible because the debt of some developing countries has little chance of being fully repaid, leaving its value on the secondary market substantially lower than its nominal face value. Under a debt conversion agreement, a non-government organization (NGO) purchases a debtor country's external debt at a discount in the secondary market. The NGO then exchanges the debt with the local government for local currency or other financial instruments, thereby cancelling the debt. The proceeds are then

used to fund the agreed upon educational or exchange project. The terms and conditions of each debt conversion transaction will vary depending upon the debtor country and market conditions.

In a number of debtor countries, debt-for-development transactions currently are not possible. Potential reasons could include a shortage of external commercial bank debt, restrictions in bank creditor agreements or that debtor governments are unwilling to approve debt conversions, often because of lack of information on how to devise programs to meet their particular economic and financial constraints. In these cases, other financial transactions with similar benefits may be available. These mechanisms are often called inconvertible or blocked currency transactions. Blocked currency transactions are more commonly used in African countries, where the major external debt is government-to-government debt rather than private debt.

The recent history of debt swaps or debt-for-development transactions has evolved significantly over the last couple of years. Initially creditors expected to receive full payment on their loans and were not interested in any tools for debt management that implicitly accepted that the debt was not worth full face value. When creditors began to propose debt swaps, debtor governments were somewhat negative in their responses. Over time more governments have become more interested in using this and other innovative mechanisms as options to deal with their external debt servicing problems. With a growing list of successful transactions in a number of countries, policy makers and financial technicians have developed more ways to tailor debt swaps that are consistent with sound macro economic and financial policies.

USAID DEBT-FOR-DEVELOPMENT INITIATIVE OFFERS SUCCESSFUL EXAMPLE

The first federal agency to use debt swaps is the U.S. Agency for International Development (USAID) which established its Debt-for-Development Initiative in 1989. Under the guidelines established by the agency, non-government organizations which receive grants, or in some cases contracts, may leverage these funds through a debt conversion where the proceeds are used to support the local activities of the project. Projects approved include environment, conservation, health, coastal management, sustainable agriculture, education and training.

As of December, 1991, about $32.8 million of USAID resources have been used or negotiations are underway for debt transactions, resulting in about $42.5 million in additional funds--an average of about 130 percent additional funding. USAID has successfully been involved in both debt-for-development and blocked currency transactions in at least 18 countries.

Because some technical aspects of debt conversions often

require long-term interest payments, it was determined that legislative authorization would be required for USAID to use the debt swap mechanism. Congress passed legislation in 1989 which encourages USAID to use debt-for-development programs and which waives requirements that the interest which accrues through this mechanism must be returned to the U.S. Treasury.

As an example of a debt-for-development program: The University of Rhode Island, working under a USAID technical assistance grant, purchased $400,000 face value of Ecuadorian debt for $100,000 in June, 1991. The debt was converted by the Ecuadorian government for $200,000 in local currency bonds to support a collaborative coastal resource management project with Fundacion Maldonado in Ecuador. As structured, the bonds with interest will produce local currency equivalent to about $100,000 the first year, and about $300,000 total over the life of the project.

Obviously, debt conversions must be carefully structured depending on the legal statutes and regulations of the country and the financial and political risks involved, including concerns on inflation, money supply and the fiscal budget. The secondary market for international debt remains active, and technical assistance and market analysis is available to help governments develop useful programs.

USAID supports The Debt-for-Development Coalition, Inc., (DDC) a Washington-based not-for-profit organization which provides technical assistance to NGOs interested in completing debt-for-development transactions. DDC provides general information services regarding debt conversion opportunities to NGOs, developing country governments, funding agencies and banks. It maintains a current database in debt prices and currency exchange rates in order to have up-to-date information on the potential benefits of debt conversions. DDC has assisted numerous not-for-profit organizations in successfully completing debt transactions.

POTENTIAL USES OF DEBT SWAPS FOR USIA EXCHANGE PROGRAMS

While USIA as a government agency can not directly use debt conversions to fund its operational costs, if Congressional authority similar to that provided USAID were approved, its U.S. grantees, local collaborators or foundations could use its funding from USIA for debt conversions in certain countries. Such legislative provisions would permit the agency flexibility in determining program opportunities and appropriate countries for use.

The binational Fulbright Commissions offer an effective means to focus debt swap programs on areas of high priority to both governments. Debt conversions can extend dollars to increased local currencies for in-country costs; however the use of debt

conversions is not applicable for dollar costs involved in programs.

In an effort to examine this process, DDC begin working with the U.S.-Mexico Commission for Educational and Cultural Exchange in 1991 to develop an innovative mechanism to enhance educational exchanges. DDC, in cooperation with the Mexico Commission, established a Debt-for-Science, Technology and Human Resource Development program. The U.S.-Mexico Fulbright Commission will facilitate the program which will use funds from the private sector to purchase debt. Under this program, U.S. universities will invest in debt swaps to fund programs that will facilitate faculty, researcher and student exchanges between U.S. and Mexican colleges and universities. Early program approvals include programs in health, agriculture, environment and education. Under the terms of approval from the Government of Mexico, up to $10 million face value of debt in par bonds may be converted at full face value for these programs, with provisions to expand the program up to $100 million. DDC has completed the first transaction under this agreement and others are expected.

Following the success of the Mexico Debt-for-Science, Technology and Human Resource Development program, USIA should seek to develop mechanisms that would facilitate the use of debt conversions to extend their current programs. A number of programs could be considered as appropriate for use, depending upon the in-country costs and amount of local currencies needed, and the availability of debt conversion programs.

The binational Fulbright Commissions and their varied programs offer an excellent forum to develop priorities of mutual interest and a means to facilitate beneficial conversion terms. Debt-for-exchange mechanisms may offer an additional incentive in attracting outside donors to support exchange activities. Grants to non-government organizations, institutional linkage programs or exchange organizations could be directly leveraged through debt exchanges in countries where debt conversions are possible.

USIA's binational centers are independent institutions which promote education activities in 100 countries, many of which may be appropriate to consider debt conversion programs. English language instruction programs which may have considerable local currency costs could be extended through debt swaps.

International festival and cultural events, co-sponsored by USIA and other private foundations, also could benefit from debt conversion programs. Here, USIA could greatly assist as a facilitator, in educating local and international funding organizations about the additional benefits.

APPENDIX 2

A Report to CULCON

Shifting the Balance: Increasing U.S. Undergraduates in Japan

Prepared by

Norman J. Peterson, Ph.D.
Executive Secretary
Liaison Group for International Educational Exchange

John H. Skillman, Ph.D.
Deputy Executive Director
Council on International Educational Exchange

April 21, 1992

The Liaison Group for International Educational Exchange
Washington DC

About the Liaison Group

The Liaison Group is a coalition made up of twenty-four U.S. nonprofit higher education and international exchange organizations:

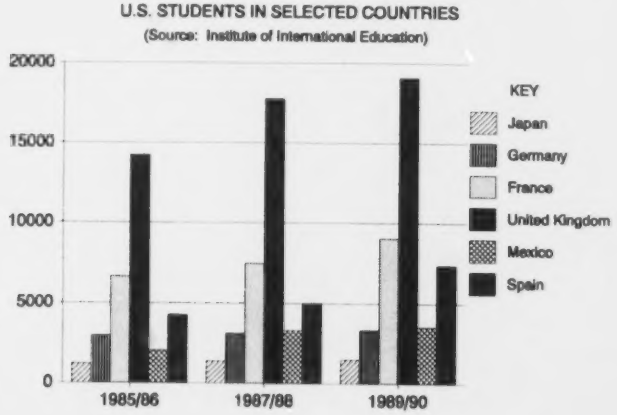
Academy for Educational Development
America-Mideast Educational and Training Services, Inc.
American Assembly of Collegiate Schools of Business
American Association of Collegiate Registrars and Admissions Officers
American Association of Community and Junior Colleges
American Council of Teachers of Russian/American Council for Collaboration in Education and Language Study
American Council on Education
Association of International Education Administrators
Association for International Practical Training
The College Board
Council for International Exchange of Scholars
Council of American Overseas Research Centers
Council of Graduate Schools
Council of International Programs
Council on International Educational Exchange
Delphi International Group
Educational Testing Service
Fulbright Association
Institute of International Education
International Research and Exchanges Board
Latin American Scholarship Program of American Universities
Meridian House International
NAFSA: Association of International Educators
National Council for International Visitors.

Created in 1980 by the chief executive officers of several of the above organizations, the Liaison Group exists to preserve and strengthen the vital international educational and cultural linkages between the United States and other nations essential to mutual understanding, economic development, and the growth of human knowledge in all disciplines. The Liaison Group does not administer any exchange programs. Rather it promotes development of sound policies concerning exchanges by bringing the United States exchange community together to focus its expertise on fundamental issues affecting the future of international exchange. The Liaison Group offers a number of informational and other services to individuals and organizations interested in international exchange issues. Those wishing to contact the Liaison Group may do so through its Washington DC office at:

The Liaison Group for International Educational Exchange
1825 Eye Street, NW, Suite 475
Washington DC 20006
Tel: 202/659-0151 Fax: 202/828-4724

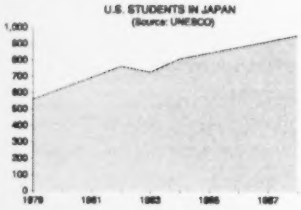
I. OVERVIEW

Too few undergraduate students from the United States are currently going to Japan to study. Virtually everyone concerned with Japan-U.S. relations and with sending U.S. students abroad to study agrees about this. The relationship between the two countries is arguably the most important bilateral linkage in the world. The two countries are inextricably connected economically. Progress on a whole range of global issues requires cooperation between the United States and Japan. However, the cultures of the two countries contrast dramatically in some respects, and the last few years have seen a troubling pattern of misunderstanding developing. Successful student exchanges between the U.S. and Japan can play a fundamental role in strengthening understanding and cooperation between them. Yet, as the following graph drawn from Institute of International Education data reveals, Japan lags far behind many other major nations as a location for U.S. students' academic study abroad. Perhaps more disturbing,

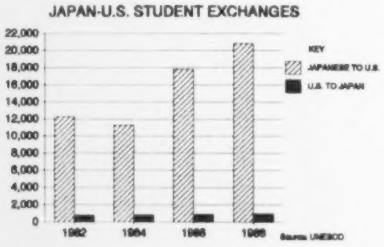


while study abroad in the U.K., France, Spain, and other nations has grown rapidly in recent years, study abroad in Japan has only experienced marginal expansion. A longer term view of trends regarding U.S. postsecondary students going to Japan can be seen from the next graph drawn from UNESCO data which reveals slow, steady growth through the 1980s. In actuality, neither the UNESCO data, which is based

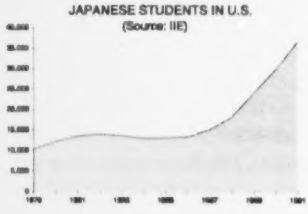
on host country government information and fails to count many students not officially enrolled in Japanese universities, nor the IIE data, which is based on U.S. college and university records of credit awarded for study in Japan and does not count non-credit study, is a complete count of U.S. students' educational activities in Japan. Both, for example, probably do not include the substantial number of students enrolled in privately-operated Japanese language programs in Japan. However, for purposes of this report the data from either source is adequate. Even if twice as many students from the United States are studying in Japan as either indicates, the number would still be too low.



Another indication of the problem is revealed in the next graph, also from UNESCO data, which compares the number of U.S. students going to Japan with the number of Japanese students coming to the United States for educational programs. As it shows, there is a staggering disparity in the numbers of students being exchanged between the two countries. This graph, however, does not reveal the extraordinary recent growth in the number of Japanese students coming to the United States which the bottom graph on this page drawn from more recent IIE data shows. The problem here is not, of course, that too many Japanese students are coming to the United States. The problem is that too few students are going from the United States to Japan.



While the problem is clear, there is not general agreement on what steps can and should be taken to increase study abroad in Japan. A number of substantial barriers stand in the way of doing so. This report attempts to begin the process of developing an action plan to substantially increase the number of U.S.



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undergraduates who participate in study abroad programs in Japan. Before going into this, however, some discussion is needed about the Liaison Group's overall initiative regarding Japan-U.S. exchanges and about the activities undertaken to develop this set of recommendations to CULCON.

II. THE LIAISON GROUP'S JAPAN PROJECT

The issue of increasing U.S. undergraduate study in Japan is one of the most important dimensions of a comprehensive effort the Liaison Group is undertaking, together with the International Exchange Association (IEA), a coalition made up of U.S. youth and citizen exchange organizations, to strengthen educational and cultural exchanges between the United States and Japan. The IEA/Liaison Group project began with a visit to Japan by a joint delegation in July of 1991. This delegation, invited and hosted by the Tokyo office of the Asia Foundation and a group of Japanese exchange organizations, was made up of Richard J. Deasy, Chairman of the Liaison Group and President of the National Council for International Visitors; Carl A. Herrin, Executive Director of the International Exchange Association; Norman J. Peterson, Executive Secretary of the Liaison Group; and William M. Woessner, Chairman of the International Exchange Association and President of Youth for Understanding. The two organizations have formed a joint working group on U.S.-Japan exchanges and are undertaking a comprehensive survey of U.S.-Japan exchanges which will be released later this year. The Liaison Group has commissioned the Institute of International Education to conduct a survey of selected U.S. colleges and universities regarding trends relating to study in Japan as a part of the overall effort. This forthcoming survey report will include findings and recommendations from the joint working group on strengthening exchanges at all levels, and will provide an important tool to policy-makers in both countries in identifying problems and gaps in people-to-people exchanges. Through the survey project, the IEA and the Liaison Group hope also to provide a new basis for communication and cooperation between the international exchange communities in the United States and Japan. The Liaison Group is grateful for the encouragement and support of the Asia Foundation and the Japan-United States Friendship Commission (JUSFC) in this overall effort to strengthen exchanges between the two nations.

III. REPORT METHODOLOGY

This report to CULCON has been prepared at CULCON's request to provide recommendations aimed at increasing the number of U.S. undergraduates who go to Japan to study. Exploring issues concerning the expansion of the number of U.S. undergraduates going to Japan was a major subject of investigation during the IEA/Liaison Group visit to Japan discussed above, and was the subject of a special meeting arranged by Jerry Inman, Asia Foundation Tokyo Representative, held at International House in

Tokyo on July 9, 1991. In order to develop a broader U.S. perspective on these issues, a focus group discussion on expanding undergraduate programs in Japan was organized by John Skillman of the Council on International Educational Exchange (CIEE) during the Council's Annual Meeting in Boulder, Colorado in November of 1991. This report is based on these discussions as well as additional research by the authors. As discussed above, the IEA/Liaison Group survey project is still in the preliminary stages, and the final survey report will include the findings of a joint working group of U.S. exchange leaders regarding strengthening U.S.-Japan exchanges at all levels. This report will be considered by the joint working group as it frames these overall recommendations.

IV. THE PARAMETERS OF GROWTH

Expansion of study abroad to any nation depends upon several fundamental factors. These include: student proficiency in the language of the country; access to educational institutions or non-institutionally based study programs in the host country; the appropriateness and desirability of current study opportunities in the country; the availability of human and other resources in the host country needed to expand study opportunities; cost of study programs in the country and funding sources to meet these costs; encouragement from home country faculty regarding study in the country; students' perceptions of the way study in the country could benefit them in the future; expertise of administrative officials in both the home country and the host country regarding issues relating to exchanges; and the reports and encouragement of returning students.

The authors have found that substantial constraints in most of these areas stand in the way of expanding the number of U.S. students going to Japan. Success in expanding study abroad to Japan will require substantial efforts relating to several of these constraining factors. Successfully addressing one or two of these constraining factors will probably have relatively little impact. Only an effort which attempts to overcome barriers affecting all the parameters that determine the flow of students will be successful in substantially expanding the number of students going to Japan for study.

Even such a comprehensive effort will not result in increasing the number of students going to Japan to approach either the number of U.S. students going to the most popular study destinations, such as the United Kingdom, or the number of Japanese students now coming to the United States, at least in the short to mid-term. Unrealistic and unattainable goals should not be set.

However, there are reasons to be optimistic about the possibility of expanding the number of U.S. students studying in Japan. Most importantly, there is an extraordinary opportunity to take advantage of a very large surge in Japanese language study at both the secondary and post-secondary levels in the

United States. Subsequent sections of this report deal with several of the specific parameters which will determine the future of study abroad in Japan by U.S. undergraduates.

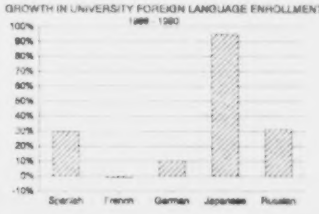
This brings us to the first of a series of recommendations included in this report.

> Recommendation:
> COUNCIL should adopt a challenging but attainable goal for expansion of study in Japan by undergraduates from the United States. A reasonable goal for consideration might be to exceed 6,000 by the year 2000. This goal should be endorsed by both the Japanese government and the United States government.

V. EXPANDING STUDY OF JAPANESE IN THE U.S.

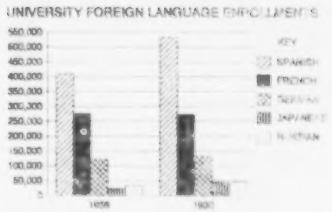
One of the fundamental traditional limitations on the number of U.S. students going to Japan to study is the very low number of students who know Japanese. Until recently, few U.S. colleges and universities and virtually no high schools offered Japanese language courses to students. Among the very small cohort of students who studied Japanese, almost none had sufficient proficiency to undertake study in Japanese universities.

This situation is changing rapidly. A boom in the study of Japanese is taking place in both secondary and post-secondary level institutions in the United States today, providing a very important opportunity for expanding the number of students who undertake study in Japan — if other obstacles in the way are removed. At the pre-collegiate level, schools offering Japanese have increased in the last five years from approximately 200 to more than 860, according to the recently released report, Japanese Language Instruction in the United States: Resources, Practice, and Investment Strategy, by the National Foreign Language Center supported by a Japan-U.S. Friendship Commission grant. At the post-secondary level equally encouraging developments are apparent, as indicated in the above graph which compares growth of college and university course enrollments in selected foreign languages between 1986 and 1990 as reported by the Modern Language Association. Although Japanese is still not widely studied, as the next graph showing actual enrollment numbers indicates, there is an extraordinary opportunity to expand study abroad based on the growth of the study of Japanese in the United States.



It is extremely important that efforts to expand study in Japan build upon this new base of interest and expertise in the Japanese language. There is now in U.S. colleges and universities a much larger

cohort of potential participants in study abroad programs in Japan. It is in relation to this group of new students of Japanese that the effort to expand study in Japan will either succeed or fail. Several steps need to be taken with regard to this group of students. They need to be better understood. It is important not to be unrealistic about the language skills of this group; few have the proficiency levels needed to enroll directly in Japanese universities, although the number of U.S. students able to succeed in direct matriculation programs will be increasing. At any rate, programs need to be adapted or initiated to meet the needs of this new, expanded group of Japanese language students. For example, according to the NFLC study cited above, 32% of Japanese language students report that their most important interest in Japan relates to business and 48% expect to be employed in business. While several existing study programs in Japan do allow students to pursue some courses in business, few provide the kind of focus on business many of these students may be seeking. Study in Japan programs should also be adapted to further this surge of interest in Japanese. For example, the NFLC study points out that many students of Japanese will probably not continue with Japanese beyond the first year. This is likely the case, but study abroad is known to be the most powerful mechanism available to build both real language competency and sustained interest in the language and culture. Perhaps summer, semester, or academic year study programs could be developed specifically for students at this level to help them "over the hump" to real competency and enduring interest in Japanese. In this regard, the lack of development of the field of teaching Japanese as a second language in Japan to provide instruction such as this is a major limitation which needs to be addressed. Several steps, therefore, should be taken with respect to the new interest in Japanese language study in the United States.



Recommendations:
- Research activities should be undertaken to better understand the skills and interests of the new, expanded pool of Japanese language students in the United States, and study programs in Japan should be adapted to meet their needs.
- Students in Japanese language courses and their parents should be reached as early as possible, preferably during high school, about the value of study in Japan and opportunities available through publications and other outreach activities.
- The field of teaching Japanese as a second language in Japan needs to be strengthened.
- Efforts should be made to support Japanese language study at all levels of U.S. education to ensure that recent gains are not lost, and student language proficiency is as high as possible.

VI. ACCESS TO INSTITUTIONS AND PROGRAMS IN JAPAN

Access to educational institutions in Japan or to educational programs that are not institutionally-based is a major barrier to expansion of U.S. study abroad programs. In this regard, several problems have emerged during examination of these issues. Unless substantial breakthroughs take place in providing new access points to study in Japan, the number of undergraduate students going to Japan probably cannot expand significantly.

First, the major public universities of Japan remain essentially inaccessible to undergraduate students from the United States. These institutions have traditionally been unwilling to open their facilities to groups of U.S. students on programs organized by U.S. institutions, and only a few U.S. students per year have been able to successfully enter these institutions through direct enrollment given the minimal support services the Japanese national universities have offered to assist such foreign students who are not native Japanese language students. There is a growing level of frustration among educators in the United States, particularly those at major public universities enrolling large numbers of Japanese students, that Japanese public universities are not providing such educational opportunities for U.S. students. These critics point out that the public universities of the United States are subsidizing the educational programs of many thousands of Japanese students annually, amounting to millions of dollars per year. In order to allow Japanese or other foreign students to succeed in U.S. universities, special supplementary English as a second language programs, foreign student advising, and other services have been developed. These educators argue that Japanese public universities should take some of these steps in order to provide access to students from the United States, and they should be more receptive to hosting study programs organized by U.S. institutions.

Programs for U.S. students have, of course, been developed by several private Japanese institutions, including International Christian University, Kansai University of Foreign Studies, Keio University, Nanzan University, Sophia University, and Waseda University and these have been extremely successful. Although these programs should be expanded to the extent possible, the potential for doing so may be limited. As noted above, to maximize this potential, these programs should take steps to understand and adapt themselves to the needs of the changing pool of Japanese language students in the United States discussed above (e.g. the strong business interests of these students). A JUSFC study is currently underway in Japan regarding ways current study programs can be expanded, and it will attempt to establish the basis for increasing these opportunities. However, constraints these programs face in finding teachers who are able to teach Japanese as a second language, in recruiting Japanese faculty members able and willing to teach in English in these special programs for U.S. students, and in identifying Japanese host families or other housing options for students mean that their potential for

growth is very limited. This is confirmed by a new survey of institutions in Japan by the Japan-United States Educational Commission released in February, 1992, which indicates that resource issues will inhibit a major expansion of these programs even though many of the institutions in Japan would like to expand.

It would be desirable to establish new programs outside of Tokyo and Kyoto. A broader distribution of study opportunities for U.S. students outside of the two major cities could substantially address the resource limitations discussed above and promote better language and cultural learning by students.

Innovative new approaches to providing appropriate educational opportunities for U.S. students are clearly needed. Ways need to be developed to tap new pools of potential faculty members for such programs. For example, there is a very large and growing pool of Japanese graduates of educational institutions in the United States who presumably have strong English language skills and are familiar with U.S. higher education. Perhaps some individuals in this growing group of U.S. alumni could be utilized as instructors for U.S. study abroad programs. Similarly, innovative approaches are needed to deal with the very difficult shortage of appropriate housing for U.S. students. Encouragement for such innovations is needed from both the Japanese and the U.S. side. Funds must be found to assist promising innovations in getting off the ground. Perhaps the newly created National Security Education Program in the United States (discussed below) can be of assistance in this regard through the authority Congress has given it to strengthen the international education programs of U.S. colleges and universities. Proposals now under consideration by the United States Congress as part of the reauthorization of the Higher Education Act to permit the Department of Education to support the development of new study abroad programs by U.S. postsecondary education institutions can perhaps also assist this effort if they are enacted and funded. However, CULCON should strongly encourage other funding sources to support model study programs in Japan which offer the potential to overcome these resource limitations.

Recommendations:
- **Strongly encourage public universities in Japan and government agencies responsible for them to provide accessible educational opportunities for students from the United States.**
- **Support should be given for expansion of existing, traditional study in Japan programs to the extent possible, although they should consider adaptations needed to meet U.S. student and institution needs for increased business study.**
- **Expand institutions offering programs beyond those in the Tokyo and Kyoto areas.**
- **Funding and other support should be given for the development of innovative new program approaches for U.S. students which overcome teaching, housing, and other resource limitations in Japan.**

VII. PROGRAM COST AND FINANCING

Given the extraordinarily high cost of living in Japan today, financing study abroad programs is bound to be a major challenge. Studying in Japan costs significantly more than virtually any study abroad programs in other countries. Coupled with the high cost of trans-Pacific air travel, total costs to study in Japan climb even higher. The cost factor is particularly limiting for students attending public institutions in the United States as documented by Susan McLaughlin's 1989 Social Science Research Council/American Council of Learned Societies study of U.S. study abroad programs. New sources of financial support must be brought on line to finance programs in Japan if additional U.S. students are to study in Japan.

Some additional support may be forthcoming from the U.S. side. The newly enacted National Security Education Act, sponsored by Senator David Boren of Oklahoma and signed by President Bush in December of 1991, offers one substantial new source of support. One major focus of the new program is to provide scholarships for U.S. undergraduate students to study in critical countries — defined as those to which few students are currently going. The administrators of the program have expressed a strong interest in supporting study in Japan. It will be important for CULCON and others interested in study in Japan to work closely with the National Security Education Program in developing its scholarship activities to ensure that funds are invested most productively. However, NSEP is only a partial answer to funding an expansion of U.S. students to Japan. The total level of study abroad scholarship funding to be provided by NSEP when it becomes fully operational is uncertain at this time, but it will probably not exceed $12 million per year and it could be far less than this. Only a fraction of this will be invested for study in Japan. NSEP can provide a significant, but limited, means to finance expansion of undergraduate study in Japan.

Another promising means of financing study in Japan is coming through changes the Congress is making to student federal financial assistance programs (e.g. Pell grants, Perkins and Stafford loans, college work-study, etc.) through the reauthorization of the Higher Education Act. This legislation, which should be finalized and sent to the President for signature this spring, will include significant changes in the laws governing these financial aid programs to allow more students to study abroad who are dependent on and eligible for these funds. For example, these changes will probably clarify that institutional financial aid administrators can provide aid to students going to Japan based on the budget for the study abroad program rather than the budget for study on the student's home campus. Under current program guidelines many institutions are unwilling to do this. This step, one of many included in the pending legislation, should provide considerable help to students at public institutions in meeting the substantial additional costs of study in Japan. Making fullest use of these statutory changes will require working

carefully with the Department of Education as it revises regulations covering financial aid. This is encouraging but it too has its limitations. Federal financial aid programs are only available to the neediest students, and students from middle to upper-middle class families, who would have great difficulty meeting the cost of study in Japan, are not eligible to receive them. Furthermore, even though students' financial aid budgets can include the additional costs of study abroad, it does not necessarily mean that funds will be available in the programs to meet all budgeted costs.

It is also encouraging that the Japanese government has recently begun to allow Japanese national universities to enter into no-fee one-to-one student exchanges with institutions in the United States. This is an extremely important development, since such agreements enable U.S. students to study in Japan for essentially the same cost as continuing to study on their home campus, plus the additional cost of travel and some small funds to meet the higher cost of incidental expenses. These exchange arrangements can be an important means to increase the number of students from U.S. public insitutions studying in Japan. Such one-to-one reciprocal exchange agreements should be strongly encouraged and the Japanese government should be commended for supporting them.

Clearly, however, additional funding sources beyond these, such as the new Fund for Global Partnerships, are needed if there is to be a substantial increase in the number of U.S. students able to study in Japan.

Several actions are, therefore, needed to provide financing for study in Japan.

Recommendations:
- **Work closely with the newly created National Security Education Program to expand U.S. scholarship assistance to students for study in Japan.**
- **Ensure that pending congressional changes in laws governing use of Department of Education financial aid programs for study abroad are fully implemented.**
- **Encourage further development of one-to-one reciprocal student exchange agreements with U.S. institutions.**
- **Call for other funding sources to support U.S. undergraduate student study in Japan.**

VIII. INCREASING PROFESSIONAL AND FACULTY EXPERTISE

Although there is a nucleus of expertise about study in Japan among professionals in the United States, study abroad professionals in the U.S. generally lack the requisite knowledge regarding study abroad and exchange programs with Japan. Most do not have direct experience in Japan, and have little experience working with Japanese institutions. Few opportunities exist for U.S. study abroad professionals to develop this expertise about Japan. It is, therefore, difficult for them to effectively advise students who want to study in Japan, and they do not know how to go about developing exchange agreements with Japanese institutions or study abroad programs. Since institutions in the two countries are structured and administered in substantially different ways, administrators in both countries have difficulty identifying appropriate exchange counterparts in the other country or know how to go about establishing new linkages. A resource guide on setting up student exchange linkages with Japan could be very helpful to many professionals who lack in-depth experience working with Japanese institutions. This guide should also provide information on the kinds of orientation programs which are needed to prepare U.S. students for study in Japan.

Similarly, although Fulbright and other fellowship opportunities have provided exposure to academic institutions in Japan to a fairly large group of U.S. faculty, there need to be more ways in which U.S. faculty can learn about the educational opportunities available to their students in Japan. Toward this end, short-term programs for U.S. faculty to visit Japan, such as those provided to other countries by the Council on International Educational Exchange through its Faculty Development Seminars could be very useful.

Several useful steps can be taken in this area to facilitate an expansion of undergraduate programs in Japan.

Recommendations:

- **Promote opportunities for exchange program professionals in the United States to develop expertise about study in Japan, and for exchange program professionals in both countries to administer exchanges between them.**
- **Develop a guide for U.S. exchange professionals on establishing linkages with Japanese institutions.**
- **Establish a central clearing house with a data base on institutions in both countries interested in exchanges.**
- **Provide opportunities for U.S. faculty to learn about study opportunities in Japan through short-term training programs.**

IX. IMMIGRATION PROBLEMS

U.S. institutions have experienced serious problems in obtaining visas for students going to Japan. They report a lack of uniform procedures. These problems have been particularly acute in obtaining visas for students participating in internship and training exchange activities and for students seeking visas to enroll in U.S. university branch campuses in Japan. For example, under current Japanese immigration law, trainees are only allowed if they are part of an "approved" program or if they come from developing countries. As a result, U.S. participants on the IAESTE program (an approved program) are allowed to enter Japan but other participants must go through a much more complicated and costlier process if they are allowed to enter at all. The ambiguities that exist in this and other areas of Japanese immigration law serve to inhibit exchanges between the U.S. and Japan. Other unique requirements imposed by Japan, such as the need for certain students to obtain a Japanese guarantor to get a visa, also cause substantial administrative problems for institutions wanting to expand study in Japan.

Recommendation:
- Seek resolution with the Japanese government regarding technical immigration problems which inhibit U.S. students obtaining visas for study or training in Japan.

X. TOWARD AN ACTION PLAN

From the above analysis of the parameters affecting the expansion of study in Japan by U.S. undergraduates, the following recommendations for action have emerged for consideration by CULCON, the U.S. and Japanese government, and educational institutions and organizations in both countries.

- CULCON should adopt a challenging but attainable goal for expansion of study in Japan by undergraduates from the United States. A reasonable goal for consideration might be to exceed 5,000 by the year 2000. This goal should be endorsed by both the Japanese government and the United States government.
- Research activities should be undertaken to better understand the skills and interests of the new, expanded pool of Japanese language students in the United States, and study programs in Japan should be adapted to meet their needs.
- Students in Japanese language courses and their parents should be reached as early as possible, preferably during high school, about the value of study in Japan and opportunities available through publications and other outreach activities.
- The field of teaching Japanese as a second language in Japan needs to be strengthened.
- Efforts should be made to support Japanese language study at all levels of U.S. education to ensure that recent gains are not lost, and student language proficiency is as high as possible.
- Strongly encourage public universities in Japan and government agencies responsible for them to provide accessible educational opportunities for students from the United States.
- Support should be given for expansion of existing, traditional study in Japan programs to the extent possible, although they should consider adaptations needed to meet U.S. student and institution needs for increased business study.
- Expand institutions offering programs beyond those in the Tokyo and Kyoto areas.
- Funding and other support should be given for the development of innovative new program approaches for U.S. students which overcome teaching, housing, and other resource limitations in Japan.
- Work closely with the newly created National Security Education Program to expand U.S. scholarship assistance to students for study in Japan.
- Ensure that pending congressional changes in laws governing use of Department of Education financial aid programs for study abroad are fully implemented.
- Encourage further development of one-to-one reciprocal student exchange agreements with U.S. institutions.
- Call for other funding sources to support U.S. undergraduate student study in Japan.
- Promote opportunities for exchange program professionals in the United States to develop expertise about study in Japan, and for exchange program professionals in both countries to administer exchanges between them.
- Develop a guide for U.S. exchange professionals on establishing linkages with Japanese institutions.
- Establish a central clearing house with a data base on institutions in both countries interested in exchanges.
- Provide opportunities for U.S. faculty to learn about study opportunities in Japan through short-term training programs.
- Seek resolution with the Japanese government regarding technical immigration problems which inhibit U.S. students obtaining visas for study or training in Japan.

APPENDIX 3

ANSWERS TO QUESTIONS BY U.S. INFORMATION AGENCY

FOR THE HEARING RECORD

NEW INITIATIVES

Q: HAS USIA TAKEN NEW INITIATIVES TO ESTABLISH PROGRAMS NOT MANDATED BY LEGISLATION BUT INTENDED TO ADDRESS PERCEIVED NEW NEEDS AND OPPORTUNITIES?

A: The flexibility and adaptability of our "core" exchange programs have permitted us to undertake significant new initiatives without additional legislative authority.

We have already established full, binational Fulbright Commissions, the hallmark of mature bilateral academic exchange relationships, in Hungary and Czechoslovakia. Negotiations for Commissions in Bulgaria and Romania are near completion, and the existing Fulbright Office in Poland is about to be upgraded to a full Commission. Discussions are underway on the establishment of a Commission in Russia. Such Commissions are important because they establish a mechanism for jointly determining objectives for the program that serve the interests of both countries. Moreover, they engage educators, academic administrators, and government officials in a selection process for awards based solely on academic merit.

New Commissions have also been established recently in Canada and Mexico, and talks are scheduled for September on North American cooperation in higher education.

Under the International Visitor Program, USIA has organized programs focusing on issues of particular importance at this time. For the former states of the Soviet Union, for example, we are organizing programs this year on:

"Running a Local Government"
"U.S. Fiscal and Monetary Policy"
"U.S. Defense Industry Conversion"
"Church and State, Church and Community"

"Environmental Protection in the U.S."
"Print Journalism in the United States"
"Teaching English as a Foreign Language"
"Rule of Law: Business Law and Regulation"

In addition to programs in Eastern Europe and the former Soviet Union and in North America, we have been able to undertake modest initiatives elsewhere within our basic program authorities. We have established a Fulbright Commission in Indonesia, and are nearing agreement on a Commission in Jordan. Through the Fulbright Program, we have supported the Amazon Basin Environment Research and Study Program. We have established modest Fulbright and International Visitor Programs directed at issues surrounding the integration of Europe. We have expanded programming in the Islamic countries of Africa and Asia. And, operating under our basic authorities with funding from USAID, we have supported the transition to representative government in South Africa and to civilian rule in Nigeria.

NEW PROGRAMS IN THE FUTURE

Q: WHAT NEW PROGRAMS OR TYPES OF PROGRAMS WOULD YOU LIKE TO SEE IN THE FUTURE, AND WHAT COULD CONGRESS DO TO HELP WITH FUNDING OR LEGAL AUTHORITIES?

A: As discussed previously, USIA's broad legislative authority for conducting exchange-of-persons programs has generally permitted us to meet new needs as they arise to the extent resources permit.

Our ability to make decisions that would best serve changing objectives is constrained by our inability to redirect resources among some exchange programs or the administrative support necessary to administer them. For example, the appropriation of funds for youth exchange programs, and support and advising for foreign students in the U.S. under non-USIA auspices is separate from funds for most other exchange programs. USIA is currently considering whether modest changes to the current arrangement would be helpful in permitting a more rational, timely response to changing needs.

The one specific area where new legislative authority would be helpful is with summer work/travel. As indicated in the response to a separate question, we do not believe we have the legislative authority to conduct this program, but are of the opinion that--as a policy matter--these valuable and successful exchanges should be continued within the Exchange Visitor Program umbrella. Enabling legislation to do so will be part of the Agency's FY 94-95 legislative package.

"HOW TO" PROGRAMS

Q: USIA'S TESTIMONY REFERS TO THE SIGNIFICANT SHIFT TO "HOW TO" PROGRAMS. IS THIS AN APPROPRIATE MISSION FOR USIA, OR SHOULD THESE TYPES OF PROGRAMS BE LEFT TO AID, THE PEACE CORPS, OR TO THE DEPARTMENTS WHOSE SPECIALIZED MISSION CORRESPONDS TO THE SUBJECT OF THE "HOW TO PROGRAM"?

A: USIA's particular area of expertise, developed through many years of administering exchange programs, is in providing opportunities for sustained contacts between the leaders and potential leaders of other countries and their American counterparts. Often the substance of such contacts is in broadly defined areas of the social sciences and humanities, particularly in programs with long-term objectives like the Fulbright Program. During the past few years, this expertise has addressed the need expressed by the new leadership of Eastern Europe and the former Soviet Union for contacts in fields that will help them understand how our own society operates in areas such as national, state and local government; market economics and business; legal systems; university administration; and information management. Our role and expertise lie not in the specific content of the information, but in our ability to establish and support connections through which the information can be conveyed.

Other government agencies, USAID foremost among them, have turned to USIA for assistance in administering projects that would benefit from USIA's unique expertise, even though funds were appropriated elsewhere.

ADMINISTRATIVE CAPACITY

Q: USIA'S TESTIMONY REFERS TO THE SERIOUS STRETCHING OF USIA'S ADMINISTRATIVE AND MONITORING CAPACITY THAT HAS RESULTED FROM THE CREATION OF NEW PROGRAMS. IS THIS A PROBLEM OF CONGRESS NOT PROVIDING SUFFICIENT FUNDS FOR EACH PROGRAM TO ALLOW PROPER ADMINISTRATION, OR IS THIS ALSO A CASE FOR ENHANCING CORE FUNDING FOR SALARIES AND EXPENSES?

A: In developing its annual budget requests, the Administration has attempted to balance the level of proposed exchange programs with the administrative support necessary to administer and monitor them -- all within responsible and prudent levels of overall funding. The "earmarking" of funds within the amounts requested and the addition of funding for other new programs, all of which require significant staff resources for program development and monitoring especially in the early stages, without additional funding for their administration, have strained both our ability to effectively undertake the new programs, and to provide adequate oversight to our existing programs.

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PROGRAMS IN AFRICA, ASIA AND LATIN AMERICA

Q: WOULD YOU DESCRIBE THE TYPES OF PROGRAMS WHICH WE OUGHT TO BE THINKING ABOUT TO RESPOND TO NEW NEEDS AND OPPORTUNITIES IN AFRICA, ASIA AND LATIN AMERICA?

A: There are three major areas which we consider of growing importance to our programs in these regions.

First is the need to promote greater understanding between ourselves and the Islamic populations of Asia and Africa. For historical and cultural reasons, we have had less, and less effective, understanding of these societies, and they of us, than our importance to each other would dictate.

Second is the need to support the development in all these regions of more representative governments and more open economies.

Third is the need to ensure that the level of contacts and understanding between us and other countries keeps pace with changing trade and political relationships. In East Asia, our programs must reflect the growing economic importance of the region and the potential for reestablishing meaningful contacts with Laos, Cambodia and Vietnam. In Latin America, key developments include the growing importance of our relationship with Mexico and the move toward privatization there and elsewhere.

RESPONDING TO COMPETING NEEDS

Q: HOW CAN WE RESPOND TO THESE NEEDS AND SIMULTANEOUSLY RESPOND TO NEEDS IN EASTERN EUROPE AND THE FORMER SOVIET UNION? WILL WE BE FORCED TO RESPOND ONLY PARTIALLY IN EACH CASE? HOW CAN WE IDENTIFY THE MORE IMPORTANT TYPES OF PROGRAMS IN EACH AREA?

A: In a context of limited resources, it is clearly necessary to set priorities and make difficult decisions with respect to the distribution of resources not only among geographic areas, but also among activities. USIA has done so. We have shifted funding to both the Islamic world and Eastern Europe and the CIS in the past few years while maintaining core, if less than optimal, programs elsewhere.

USIA has established several Agency-wide study groups to examine priorities and methods of conducting business, and the groups will be reporting to the Director this fall. The groups are expected to provide an independent, long-term assessment that will be helpful in making the choices that will no doubt be necessary for the foreseeable future.

ATTRACTIVENESS OF FULBRIGHT TO BEST PEOPLE

Q: IS THE FULBRIGHT PROGRAM ABLE TO ATTRACT THE BEST PEOPLE? IF NOT, WHAT ARE THE REASONS? WHAT MIGHT BE DONE TO RESTORE THE PROGRAM'S ABILITY TO ATTRACT SUCH PEOPLE?

A: The "White Paper" of the J. William Fulbright Foreign Scholarship Board, issued last year, addresses precisely this question. The White Paper and the extensive discussion of the issues it addresses lead us to the conclusion that, while the prestige of the Fulbright Program continues to ensure that only the highest quality applicants are awarded grants, many outstanding scholars no longer consider participating.

The Board pointed out several reasons for this development, principal among them competing opportunities through self-financed studies for students from abroad, the growth of private exchange programs the Fulbright Program has helped to foster, and other governmental activity, both foreign and American. The Board also attributed the Program's limited attraction in some areas to the dramatic growth in the geographic spread of the program to areas of the world that are of limited appeal to outstanding scholars in some fields.

The Board recommended two ways of ensuring the continued appeal of the Fulbright Program to potential participants. Its first recommendation was for a level of funding adequate to maintain stipend levels for American scholars competitive with other opportunities. The second recommendation is to redefine the purpose of the Fulbright Program and refine its focus.

USIA and the academic communities in the United States and abroad are currently engaged in discussions with the Board to develop policies and approaches to implement the Board's recommendations.

COUNCILS FOR INTERNATIONAL VISITORS

Q: I UNDERSTAND THAT THE INTERNATIONAL VISITOR PROGRAM NETWORK AROUND THE COUNTRY RAISES $12 MILLION PER YEAR TO SUSTAIN ITSELF. WHAT DOES USIA DO TO SUPPORT AND MAINTAIN THIS NETWORK, AND WHAT FURTHER DO YOU INTEND TO DO, OR WOULD LIKE TO DO?

A: Councils for International Visitors around the country raise approximately $7.3 million in cash and $5.1 million in in-kind contributions each year in support of the International Visitor Program. Cash contributions come from corporations, foundations, state and local governments, and individuals.

USIA provides on average $1 million annually to the network through a grant to the National Council for International Visitors. This grant supports training for local councils through workshops, conferences, technical assistance, and networking opportunities; and the production of program materials. In FY 1992, $460,000 of the total grant was set aside for direct grants to local councils.

The Agency has increased its direct support to network affiliates by 30% over the last two years. We believe our current level of support to the national office is adequate. However, since corporate and foundation support at the local level is diminishing and tending more to be directed to urban needs, the Agency is seeking ways and the resources to increase substantially direct support to local affiliates in the coming years. We consider these unique, local institutions, currently reaching 41 states, to be an indispensable resource in our administration of the International Visitor Program.

USIA'S "SECOND MANDATE"

Q: WHAT IS USIA'S THINKING ABOUT ITS MISSION TO HELP AMERICANS BETTER UNDERSTAND THE REST OF THE WORLD, THE SO-CALLED "SECOND MANDATE" CONFERRED ON THE AGENCY IN 1978? WHAT SPECIFIC PROGRAMS HELP YOU FULFILL THIS RESPONSIBILITY?

A: USIA considers the "second mandate" a very important part of its mission, and many of its exchange programs contribute to its achievement.

The Fulbright academic exchange program includes grants specifically designed to increase the knowledge of Americans about other countries, including American student and research grants and foreign teacher and lecturer grants. USIA has made significant efforts to increase the American student component of the program.

The International Visitor Program, which is usually described in terms of introducing foreigners to our country, in fact provides opportunities for a true, mutual exchange of information and ideas through the contacts established between foreign leaders and potential leaders and the more than 800,000 Americans who volunteer their time and expertise to meet with and host visitors.

Grant opportunities announced under USIA's Citizen Exchange Program stress, among the criteria on which proposals will be judged, the mutual exchange of ideas which we seek to foster and the long-term institutional relationships we hope to support.

USIA takes very seriously the purpose of the Fulbright-Hays Act -- to promote mutual understanding -- and seeks to achieve this objective through its exchange programs.

J VISA REGULATIONS

Q: DO YOU CONCUR WITH SENATOR FULBRIGHT'S ASSESSMENT THAT THERE IS A GROWING QUAGMIRE OF REGULATIONS WHICH THREATEN TO STIFLE EXCHANGES? IF SO, WHAT IS USIA DOING TO MITIGATE THIS, AND HOW MIGHT WE HELP?

A: USIA concurs with Senator Fulbright's assessment that there is a trend among local and state governments to regulate exchanges occurring within their jurisdictions. Such action appears to be almost universally directed toward the regulation of secondary school student exchanges. Underlying this trend is the desire of local and state government's to stem the placement in local schools of exchange students for whom complete exchange arrangements have not been made, i.e. advance approval by school authorities and advance placement with host families. This trend is also fueled by the appearence of a growing incidence of abuse suffered by these exchange visitors and a perception that such exchanges are not adequately regulated. Most of the abuses that local governments seek to correct are the work of organizations operating secondary school exchange programs outside of the regulatory scope of USIA by bringing student participants into the country under the F-visa.

Q: SENATOR FULBRIGHT'S TESTIMONY SUGGESTS THAT THE FULBRIGHT-HAYS ACT PROVIDES BROAD AUTHORITY FOR EXCHANGE VISITOR VISAS. IF THIS IS SO, WHY IS THERE A PROBLEM WITH THE STUDENT SUMMER TRAVEL WORK PROGRAM?

A: USIA has always interpreted its authorities under the Fulbright-Hays Act broadly. Although a mandate for broad and liberal interpretation is found in the legislative history surrounding the Act, it does not provide a blank check. The authority to conduct and facilitate exchanges requires the Agency to ensure that exchanges occurring under the aegis of the Exchange Visitor Program fall within the statutorily proscribed categories of permissible activity and participant status.

Although Summer Work Travel participants meet the statutory requirement regarding participant status -- student-- they do not meet the requirement regarding activity. These participants enter the country to pursue open labor market employment. The J-visa does not permit open labor market employment. USIA lacks, as a matter of law, authority to permit open labor market employment as such authorization is within the sole jurisdiction of the Immigration and Naturalization Service.

As stated in another Q & A, the Agency believes the Student Summer Work Travel Program to be valuable and successful and will seek legislative authority for it in the FY 94-95 authorization cycle.

Q: IT HAS BEEN SUGGESTED THAT THE AGENCY'S PROPOSED NEW RULES WOULD INCREASE COSTS FOR PRIVATE SECTOR EXCHANGE ORGANIZATIONS. DO YOU HAVE AN ESTIMATE OF WHAT THESE COSTS MIGHT BE?

A: USIA is sensitive to this issue and has worked closely with its designated sponsors to develop regulations which will have limited or no cost implications upon sponsor operations. Proposed regulations focus on the provision of a quality exchange for participants and reflect, by and large, the existing procedures of exchange sponsors. The Agency has not been presented with any evidence regarding increased costs arising from new regulations.

Q: IT HAS BEEN SUGGESTED THAT THE PROPOSED NEW RULES WOULD ALSO INCREASE USIA'S STAFFING REQUIREMENTS FOR SUPERVISING THE J VISA PROGRAM. WHAT STAFF ARE PRESENTLY WORKING ON THIS PROGRAM? WHAT STAFFING NEEDS WOULD YOU ANTICIPATE UNDER THE NEW RULES? DOES THE FY 93 BUDGET REQUEST CONTEMPLATE AN INCREASE IN STAFF FOR THIS PURPOSE?

A: The Agency does intend to increase the number of staff devoted to supervision of the Exchange Visitor Program This increase is necessary as the Agency has identified supervision of the Program as a material management weakness. Currently, 18 staff members are assigned to this critical function. The Agency intends to increase the staff by four positions in FY 93.

YOUTH EXCHANGE PROGRAMS

Q: SINCE 1988, USIA'S DISCRETIONARY SPENDING ON YOUTH EXCHANGES HAS DECLINED FROM $3.5 MILLION TO LESS THAN HALF A MILLION DOLLARS. HOW IS THIS JUSTIFIED?

A: Prior to 1982, USIA provided modest support to a few major youth exchange organizations in the United States. Beginning in 1982, USIA undertook a major initiative, called the "President's International Youth Exchange Initiative." This project was originally conceived as a three-year effort to assist youth exchange organizations in the United States expand their own bases of funding and host family support. The objective was to foster the expansion of exchange programs involving high school students between the United States and its six economic summit partner countries.

In Fiscal Year 1984, the Congress established a separate appropriation for certain USIA-supported exchange-of-persons programs, and directed a significant increase in the level of support for these programs. Funding for youth exchange programs, however, continued to be appropriated through USIA's Salaries and Expenses appropriation.

At the end of the three-year President's Initiative, USIA decided to continue support for youth exchange projects and redefined the program to include support for specific exchange projects in a broader range of countries. Funding for the program continued to be provided from the Salaries and Expenses appropriation.

By the late 1980s, constraints on levels of funding under the Salaries and Expenses appropriation, combined with rising costs particularly for overseas operations also funded from that appropriation, forced some very difficult resource priority decisions. After an Agency-wide review, USIA determined that the elimination or severe reduction of certain activities was preferable to continued across-the-board cuts, which threatened the effectiveness of USIA operations

overall. One of the areas identified for severe reduction was the Youth Exchange program, on the basis that the Initiative had achieved the objectives for which it was originally designed and that the Agency's efforts were small relative to the much greater private sector activity in this area.

ENCOURAGEMENT OF PRIVATE SECTOR SPENDING

Q: IN A PERIOD OF RESOURCE CONSTRAINTS, THE ENCOURAGEMENT OF PRIVATE SECTOR SPENDING AND ACTIVITY ON EXCHANGES ASSUMES GREATER IMPORTANCE. PLEASE DESCRIBE THE ADMINISTRATIVE SUPPORT USIA OFFERS TO SUCH SPENDING AND ACTIVITY, AND THE RESOURCES SPENT TO LEVERAGE SUCH SPENDING AND ACTIVITY.

A: USIA values the partnership it enjoys with private sector organizations engaged in exchange-of-persons programs and relates to those organizations in a number of ways.

USIA provides facilitative assistance to private exchanges, including those that receive no financial support from the Agency. USIS overseas Posts in particular help private organizations establish initial and follow-up contacts with appropriate individuals in countries where the they are attempting to expand or develop new programs.

USIA responds to the interest of private organizations in undertaking specific projects by providing travel, living expenses, or other necessary costs, often on a cost-sharing basis, that the organization may otherwise be unable to support.

Some organizations sustain contacts between affiliates or individuals in the United States that support USIA objectives. In some cases, USIA provides administrative support to such organizations not related directly to specific programs. For example, Sister Cities International, the National Council of International Visitors, and NAFSA: Association of International Educators all encourage and coordinate a large number of activities with which USIA is only indirectly involved. Each receives funding from the Agency because the organizations and their programs are broadly supportive of our objectives.

APPENDIX 4

LIAISON GROUP FOR INTERNATIONAL EDUCATIONAL EXCHANGE RESPONSES TO QUESTIONS FROM THE SUBCOMMITTEE ON INTERNATIONAL OPERATIONS FOR THE RECORD OF THE HEARING ON INTERNATIONAL EXCHANGES IN A CHANGING WORLD

The Liaison Group is pleased to submit these responses to the Subcommittee's questions relating to our testimony of July 9th. Although we have tried to develop responses to the Subcommittee which represent a broad consensus among the membership of the Liaison Group, a wide range of views is found within the U.S. international exchange community about some of the fundamental issues raised by these questions. In the following responses we have tried to indicate those areas on which opinion is divided. As the reauthorization process proceeds and the Liaison Group membership has more opportunity to consider the issues in their political and policy context, we anticipate being able to make more specific recommendations to the Subcommittee.

1. *Your testimony indicates concern that exchanges and public diplomacy may not be entirely compatible with one another. Would you offer some suggestions of the administrative or organizational changes whereby we might more effectively differentiate between these two, in order to better serve each?*

Educational and cultural exchange activities need to be more clearly differentiated, both conceptually and operationally, from other activities USIA conducts under the concept of public diplomacy which aim to influence foreign public opinion regarding the policies of the United States Government.

The exchange programs entrusted to USIA constitute a proven, powerful means of building long-term bonds of understanding, friendship, and cooperation with the current and future leaders, educators, artists, and professionals of other nations. They are also fundamental in providing the in-depth exposure to other cultures and languages essential to building international knowledge and skills in the United States.

Two essential features of exchange programs must be respected: their long-term focus and their inherently reciprocal character. In this regard, they contrast starkly with other USIA public diplomacy activities which primarily aim at achieving immediate, short-term political goals and are predominantly one-way channels of communication aimed at promoting foreign publics' understanding of the United States. The effectiveness of exchange programs is undermined when they are utilized as one-way communication channels or when they are subverted to attempt to achieve short-term political outcomes.

When exchange programs are used for political purposes, they are generally ineffective and frequently counterproductive. When they are insulated from such short-term political goals, however, their impact can be profound, as the case of continuing exchanges with the Soviet Union during the Cold War demonstrates. By maintaining exchanges throughout this period of very troubled relations between the two countries a critical cadre of

reformers within the USSR, such as Aleksandr Yakovlev, was developed which proved critical to change in the former Soviet Union.

Unfortunately, prevailing notions of public diplomacy often tend to minimize or ignore the essential distinction between exchanges and other dimensions of what is termed public diplomacy. These formulations, for example, often treat public diplomacy activities as a "seamless web" of inseparable, complementary programs. When these formulations of public diplomacy are put into operation in the real world, short-term needs usually take precedence over long-term objectives. This is particularly the case when overseas missions exercise substantial control over programs, and cultural affairs officers are subordinate to public affairs officers in United States missions abroad.

To avoid these problems, several steps should be considered. A range of views exists within the U.S. exchange community on these issues. Some organization leaders strongly favor establishment of a separate entity with a clear mandate that is not confused with other public diplomacy issues. Others are of the view that reform of the existing USIA structure is sufficient to deal with these problems.

Most fundamentally, a policy decision needs to be made regarding the meaning and scope of the concept of public diplomacy. One option would be to narrow the meaning of public diplomacy to exclude educational and cultural exchanges. Separate objectives could then be defined for exchanges, on the one hand, and for the programs with short-term goals which would constitute public diplomacy, on the other. USIA would be charged with fulfilling both sets of goals. Alternatively, public diplomacy could be rearticulated to clarify the fundamental distinction between long-term, reciprocal exchange activities and short-term, one-directional propaganda activities. Whatever approach is taken, the outcome should be reflected in the charter for the Bureau of Educational and Cultural Affairs in Section 112 of the Fulbright-Hays Act.

This policy determination should then be reflected in the organization of USIA and in the administration of its programs. As indicated, a range of views exists about these matters. However, there is a clear consensus that the most important goal should be to put cultural affairs and public affairs activities on a more equal footing both in overseas missions and in Washington. As long as cultural affairs officers are subordinate to public affairs officers in the hierarchy of U.S. embassies, educational and cultural exchanges will be utilized as a means to attempt to influence short-term policy goals. There is also general agreement within the exchange community that the advisory committee structure which oversees USIA programs should also be reviewed and strengthened. At present, neither the Advisory Commission on Public Diplomacy, the Agency's overall oversight board, nor the J. William Fulbright Scholarship Board, which oversees a portion of the Bureau of Educational and Cultural Affairs' programs, is constituted properly to ensure that USIA exchange programs are fully protected from subordination to the Agency's short-term policy goals.

2. *Is USIA the best agency to conduct educational exchange programs? If yes, why? If no, why not?*

Although its overseas infrastructure and experienced personnel base offer important resources, USIA currently has several disadvantages as an administrative base for conducting exchange programs. These problems relate primarily to USIA's public diplomacy mission. As indicated above and in the Liaison Group's recent testimony before the Subcommittee,

there are substantial problems in conducting exchanges under the concept of public diplomacy as it is operationally implemented by USIA.

In addition, USIA has consistently neglected its mandate to assist American individuals and institutions to learn about other nations. As argued in our recent testimony, this so-called "second mandate" is a critical component to a balanced and comprehensive approach to international exchanges.

If USIA is to exercise a role as a leader in the exchange field, it must manage its exchange activities in such a way as to provide consistent and convincing evidence that it: 1) understands the differences between the tactical necessities of policy advocacy and the long-term, strategic role of exchanges in building the basis for strong and close international partnerships, and 2) that it takes seriously its obligation to provide opportunities for Americans to learn about other nations through exchanges.

In our view, USIA's mission relating to exchanges ought to include five major components: 1) developing core, long-term exchange programs in partnership with the U.S. private sector and foreign governments; 2) coordinating the diverse exchange activities of the federal government, including serving as the administration's advocate for exchange program needs in relation to regulatory matters (e.g tax and immigration issues); 3) encouraging the development of privately-funded exchanges by providing seed funding, funds for model program development, essential support services, etc.; 4) providing a global structure to facilitate all exchanges between the United States and other nations consisting of cultural affairs officers, educational advising services, etc. and 5) implementing its authority over the J-1 exchange visitor visa in such as way as to facilitate and promote the vast array of private, university, and community exchange programs without unwarranted restrictions and excessive regulations.

To accomplish this updated mission, the Bureau of Educational and Cultural Affairs needs to be given more autonomy and authority. For example, the Bureau of Educational and Cultural Affairs could be replaced by an International Educational and Cultural Exchanges Administration, headed by a Deputy Director, consisting of bureaus for academic exchanges and professional/citizen exchanges. Each of these bureaus should have a separate, statutorily chartered board whose members are drawn from appropriate private sector positions and are approved by the Senate. Such a configuration should include an Inter-Agency Coordination Office with expanded power to coordinate all federal programs.

3 *Is the Fulbright program able to attract the best people? If not, what are the reasons? What should be done to maintain the quality and stature of the Fulbright program?*

As indicated in our testimony before the Subcommittee, the Fulbright Program is being asked to do too much with too little. As documented in the J. William Fulbright Scholarship Board's white paper *The Future of the Fulbright Program*, "In constant dollars, the Program's annual budget has little more than doubled during the ten-fold expansion of participating countries since its inception." If the future of this world-famous program is going to be as great as its past, significant new resources must be provided. As the Board's White Paper also correctly concludes, the Fulbright Program also needs a more specific mission, since it now stands beside a wide array of other exchange programs which did not exist at its inception.

Attracting the best needs to be understood in a broad, inclusive way, to include the most capable faculty from colleges and universities at all levels, including community colleges. It should not be restricted to participation of eminent published scholars from the most prestigious American universities.

The Fulbright Program could attract a better and more broadly representative array of U.S. students and scholars if: stipends were more competitive with other programs; more funds were available to implementing agencies for publicity, recruitment, orientation, and supplemental (enrichment) programs. It would also be useful if receiving countries placed greater emphasis on identifying and arranging study, research, and professional development opportunities responding to the interests and needs of the grantees. Problems regarding the competitive position of the program are more acute in certain disciplines, such as business, law, economics, and engineering, in which faculty salary levels are comparatively higher. Flexible and short-term opportunities for faculty are badly needed in order to attract individuals who otherwise would not consider a Fulbright grant.

The same factors — money for stipends, publicity, recruitment, and orientation; an improved and more diversified array of placement opportunities which are more attuned to the grantees' needs; and expanded enrichment programs — would improve the quality of the foreign student and scholars programs.

The Fulbright Program continues to attract good quality students and scholars. It remains a program in which the United States can take great pride. Nonetheless, action is needed if it is going to continue to do so in coming decades.

The J. William Fulbright Scholarship Board is planning a Summit on the Future of the Fulbright Program for this coming spring. This event should provide significant guidance to the Subcommittee and other policy-making bodies on preserving the stature of the Fulbright Program.

4. *What new programs or types of programs would you like to see in the future, and what could Congress do in helping with funding or legal authorities?*

The main concern of the Liaison Group is to ensure adequate levels of support for the proven, established exchange programs of USIA, rather than in developing new programs which require creating new support structures. The need is not for new programs but for more effective approaches within existing programs to meet new needs. These programs have demonstrated their effectiveness and are inherently flexible in adapting themselves to changing circumstances both abroad and in the United States.

This is not to suggest that the United States should not respond to the fundamental changes taking place in the former Soviet Union with new exchange initiatives. It suggests that rather than starting new programs, Congress would be better advised to add additional funds to better utilize these flexible and proven programs to meet these needs. As the subcommittee is aware, the Liaison Group supports the Freedom Exchange Act as recently proposed by Senator Bill Bradley and approved by the Senate to expand exchanges with the former Soviet Union. It is our view, however, that many of the components of this proposal can be incorporated into existing programs.

For instance, there is a growing need to link professionals and specialists in newly emerging democracies with counterparts in the United States. Initially, the emphasis should be on transfer of knowledge and skills, but the longer-term goal is the creation of networks

linking professionals in the U.S. and these nations. These needs can best be met by blending the best of the current Fulbright and International Visitors Programs.

These programs can be strengthened by putting technological channels to work in support of educational and cultural goals. Electronic communication should be used to enhance and extend the benefits of USIA exchange programs. For example, electronic mail channels should be used to maintain scholarly contacts once exchange participants return to their home countries, and to keep participants in touch with developments in their home countries during their exchange. Experience with these networks in the United States and Europe have demonstrated their rich potential for other regions. In addition, there is an enormous opportunity for USIA to put some of its existing broadcasting capabilities to use for educational purposes through establishment of distance learning programs. Such programs, which could offer degree and non-degree educational programs, could play a particularly valuable role in delivering management education and other high priority subjects to the enormous region stretching from Central Europe through the republics of the former Soviet Union. Distance learning programs such as this could complement USIA's exchange programs by reaching large populations abroad which could not be brought to the United States.

Using debt conversion mechanisms to leverage exchange funds is an important financing mechanism which should be made available to USIA by Congress. Many opportunities now exist througnout the world to negotiate arrangements to purchase debt at discounted rates and convert that debt into soft currency funding for educational programs in the country that owes the debt. Many successful debt conversion deals have already been completed, including some in the education area. USIA needs the authority to conduct such "debt-swaps" as an important way to get more from its program dollars.

5. *USIA's testimony refers to the significant shift to "how-to" programs. Is this an appropriate mission for USIA or should these types of programs be left to AID, the Peace Corps, or the Departments whose specialized mission corresponds to the subject matter of the "how to program"?*

Although the collapse of the Soviet empire and its system of centralized economic control has resulted in a special emphasis on such "how-to" needs, we believe exchanges aimed at developing such practical skills have always been a part of USIA's exchange mandate. The Fulbright-Hays Act provided authority for exchanges for diverse purposes, including not only study, lecturing, and research but training, which is essentially concerned with the transfer of practical skills through on-the-job experience. Thus, for example, USIA's International Visitor Program for many years conducted a separate program for "specialists," intended specifically to develop specialized skills and to build international networks of individuals with such skills, and the program continues to serve many individuals in such professional roles today.

It is not our view that whether or not programs serve 'how-to' needs is an appropriate means to differentiate between the roles of the various federal agencies that are now involved in international activities. Making sound decisions regarding use of the many agency programs now available can only be done on a careful, case-by-case basis. In each case, the problem or need must be carefully defined. Then an assessment of options can be done

which views the federal programs available as a set of unique tools, attempting in each case to select the best tool for the job.

While there is no clear dividing line between the long-term, strategic mission of USIA's exchange programs and the more directly instrumental participant and other training programs of AID, the Peace Corps, and other specialized federal agencies, the distinction is nonetheless valid and useful in arriving at a more rational and efficient division of labor. Congressional committees with jurisdiction over involved agencies ought to work together to build a consensus regarding the roles of the various agencies and programs. The administration should then be asked to propose a more detailed and specific plan to avoid overlapping programs and to promote complementary and synergistic efforts.

6. *USIA's testimony refers to the serious stretching of USIA's administrative and monitoring capacity that has resulted from the creation of new programs. Is this a problem of Congress not providing sufficient funds for each program to allow proper administration, or is this also a case for enhancing core funding for salaries and expenses?*

There is no doubt that the proliferation of new USIA exchange programs added in recent years, coupled with the new demands being made on USIA resources by the nations of Central and Eastern Europe, the Baltics, and the former Soviet Union, have placed a severe strain on USIA's administrative capacity. This is particularly the case overseas, and especially in relation to activities in support of education and exchanges. Without question more salaries and expenses funding is needed to strengthen USIA's global infrastructure, on which the entire national exchanges effort depends. For example, USIA's overseas educational advising services and the privately operated advising services USIA supports are critical to maintaining the flow of foreign students to the United States which is vital to maintaining our long-term foreign relationships. Fiscal constraints are forcing USIS posts to draw back from this crucial advising function. Similarly, it is our experience that current funding levels do not allow sufficient staffing in overseas posts to provide useful help to private sector organizations in developing exchange programs. Stateside there is less need for additional administrative funding and more need for reorganization to give greater emphasis to the Agency's policy, monitoring, coordination, and evaluation functions.

7. *Would you describe the types of programs which we ought to be thinking about to respond to new needs and opportunities in Africa, Asia, and Latin America?*

The needs of all three regions are great, as is the importance of each to the future of the United States. It is a serious mistake for the United States to overlook these needs as attention is riveted on the collapse of the Soviet empire and the evolution of the newly independent states.

Each region and the countries within them are unique and exchanges must be developed with this in mind. For example, in Latin America one of the most important overall needs is to expand scientific and technical exchanges to strengthen these fields in Latin America and to link the scientific and technical communities in Latin America with

counterparts in the United States. But the detailed assessment that the above question calls for cannot be attempted here.

The single most important step we could take to ensure that USIA exchanges are meeting the needs and responding to the opportunities in these regions is to strongly encourage the expansion of binational Fulbright Commissions. These binational entities are unique and have proven to be extraordinarily effective. As seen in the case of the recently established Mexico-U.S.Fulbright Commission, these binational structures can increase resources available through foreign contributions. They also ensure that the programs conducted are useful to both countries. These binational structures should be established where they do not exist and should be used to define the needs and the opportunities in that particular country or region.

Equally important is the need to make long term commitments at reasonable funding levels with each of these regions. Greatly expanding resources in one of these regions only to be drastically cut back in a few years is not the way to approach conducting exchange programs. An emphasis on long-term commitments is essential.

A major need that exists in all three of the regions mentioned is expanding study abroad and other overseas opportunities for Americans. During the Cold War years the needs of Americans to learn about other countries and languages took a back seat in favor of programs bringing foreign students to the United States. As a result, the only substantial flow of U.S. students currently is to Western Europe, exchanges to which could be most readily funded through student demand and private sector resources. Diversifying the number of Americans with expertise in Africa, Latin America and Asia needs to be emphasized in USIA funding priorities.

In addition, there are important needs and opportunities for exchanges with the European Community as well as with Japan which should not be ignored. In the case of Western Europe, our official binational exchange relationships are an extremely important building block in our long-term relations with these, our closest allies. It is critical for the United States to maintain these ties, particularly as exchange programs within the European Community have tended to deemphasize exchanges with the United States. The nature of the long-term relationship between the United States and Japan clearly rests to a great extent on the success of people-to-people exchanges between the two countries. In this regard, it is particularly important to increase opportunities for more Americans to go to Japan on exchange programs.

8. *How can we respond to these needs and simultaneously respond to needs in Eastern Europe and the former Soviet Union? Will we be forced to respond only partially in each case? How can we identify the more important types of programs in each area?*

Two important dimensions to these problems have already been discussed above -- the need to expand binational exchange structures to expand resources through foreign government contributions, and the importance of using debt conversion mechanisms to leverage limited U.S. funds. These steps, if vigorously pursued, can go a long way toward allowing the United States to respond to the needs of Eastern Europe and the former Soviet Union while maintaining our exchange relationships with other regions.

Another part of the answer can only come from a comprehensive reassessment of United States international affairs and defense spending which identifies areas where funding

reductions can be made to provide much-needed resources to support expanded needs for exchange programs. Thus, for example, the decision made by the House to decrease funds for military assistance programs while providing $50 million to fund exchange programs with the former Soviet Union is a commendable example of this kind of forward thinking. Within this context, as difficult as it is to make such decisions, at least a doubling of USIA exchange programs, together with commensurate increases for agency administration, should be a major goal.

Nonetheless, there will certainly not be sufficient resources available to meet all needs, and difficult choices must be made. In making these tough decisions, it is most important to look for programs that offer the highest yields through their multiplier potential. Thus, for example, programs for faculty members and for graduate students who will be assuming teaching positions are particularly valuable because the impact of an exchange program on one individual will subsequently be multiplied through contact with hundreds or thousands of individuals. Similarly, exchanges of journalists and others who will be in high visibility positions offer major exchange multipliers.

9. *Does USIA accord sufficient attention and resources to supporting private sector activities and spending on exchange programs*

No. USIA does not provide either sufficient resources or attention to private sector exchanges. This is most critically the case in overseas posts, where vital foreign student advising services and support for arranging exchanges between private sector exchange organizations are inadequate and seemingly in decline. USIS advising services are critical to maintaining the flow of foreign students to U.S. colleges and universities, which, according to Commerce Department balance-of-payments data, bring over $5 billion into the U.S. economy per year. USIA has also traditionally played a fundamental role in relation to privately funded exchanges, such as through funding research on foreign educational systems and credentials which is essential to admitting foreign students to U.S. institutions and in granting credit for U.S. students' study abroad. This remains a critical function, although USIA's support for these activities has waned significantly in recent years. In addition, a flexible, facilitative regulatory structure for the J-1 Exchange Visitor Program is key to effective private sector exchanges. As a General Accounting Office study of USIA exchange activities concluded: ". . . the United States needs to further explore options for making the best use of limited federal training resources to complement and bolster significant private sector efforts which have traditionally played a key role in international educational exchanges." The interest and expertise in U.S. private sector organizations is extensive. The U.S. higher education system is without doubt one of our greatest assets in building strong international relationships in the coming decades. This potential can only be realized through an effective facilitative role from USIA which seems to be slowly but inexorably slipping away.

APPENDIX 5

International Exchange Association
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ANSWERS TO QUESTIONS FOR THE HEARING RECORD

"International Exchanges in a Changing World"
Subcommittee on International Operations
Committee on Foreign Affairs
U.S. House of Representatives

The answers provided below are submitted in response to questions addressed to the International Exchange Association from the Subcommittee. With the exception of Question #1--addressed specifically to AFS--the answers given are intended to provide a representative view of the citizen and youth exchange organizations in IEA's membership.

1. **A significant part of AFS' responsibilities is to find American families to host youth exchanges. How have the increase in numbers of such exchanges, the changing nature of the American family, and the troubled economy affected your efforts?**

Being a volunteer community-based organization--like the majority of IEA's member organizations involved in youth, home-stay based exchanges--AFS has indeed been effected by all three factors. Most notably, the changing nature of the American family has meant that the number of non-working mothers capable of devoting 40 to 50 hours a week volunteering to recruit families, to provide counseling to young people, and to raise funds in the community is simply no longer there. Since AFS is committed to the involvement of the community in international exchange, we have resisted paying people to do these jobs, believing the engagement of the community is important to the quality of the exchange. Current demographics require us to recruit a significantly larger number of volunteers who will pick up small pieces of the tasks formerly done by a handful of women. Our colleague organizations have experienced similar volunteer recruitment difficulties.

Further, all three factors have impacted on the cost of the program. Whereas in the past, schools would waive incidental fees for an AFS student, they have not

been able to continue to do this because of the larger number of foreign students being hosted as exchange participants. This puts an added financial burden on the family and local community groups. The cost of hosting a foreign student, for those most directly involved, has increased in the past decade.

Unfortunately, the charitable tax deduction for hosting a student has not increased commensurately with these costs--the details of which will be elaborated more fully below. Thus, hosting a high school student has become an increasing burden for host families. Part-time work by the exchange students could help ease this burden; however, as high school J Exchange Visitors, their employment opportunities are severely restricted. These students are limited to working in unstructured casual baby sitting and lawn care jobs even though there may be opportunities for employment at the local stores and supermarkets. While these restrictions are ostensively to ensure that foreign students do not take jobs away from Americans, we seriously question whether this is a real threat. Additionally, in the 1990s and beyond, unlike the 1950s and 1960s when these requirements were put in effect, it is a part of the cultural experience in the United States for young people to have regular part-time jobs. Indeed, working in the service and retail businesses that more frequently hire teenagers would be an ideal way for these young people to meet a much broader sector of American society than they would find in the traditional host family.

We hope at some point that the Congress will consider making changes to both the host family tax deduction and the J nonimmigrant employment restrictions.

2. **How might consultation be improved between the private sector and USIA?**

Consultation is the key to a successful partnership and success in the partnership between USIA and the international exchange community is essential to carrying out international exchange activities. Fundamental to full and free consultation between the private sector and USIA will be an appreciation by both sectors of what the resources, expertise, and perspectives are of their partner. That appreciation is only partially present now; and very much lacking at critical points in the delivery of exchange services within both the U.S. community-based exchange organizations and USIA's employees stationed worldwide.

Consultation can be improved by creating settings that encourage the free flow of ideas; integration of planning; shared training; and exchange of personnel. These types of activities have been tried in the past with varying success, but without a systematic and clearly articulated goal of bringing the public and private sectors together cooperatively. For the purposes of discussion--and without intending to exclude other comparable mechanisms--we note several ideas that could, in toto, ensure better consultation and cooperation:

- Establish a series of Agency advisory bodies, made of private citizens, the provide sounding boards for USIA and avenues for communication for the private sector. The bodies could be structured by regional orientation or functional activity and should feature individuals with expertise and familiarity in the exchange field. The bodies should be nonpartisan and voluntary.

- Mandate a periodic hearing format for USIA that obliges the Agency to seek public input about its priorities and planning. The hearings should ensure that the Agency receives balanced recommendations from the public in a timely fashion for annual or biennial budget and program planning.

- Involve a broad range of private sector exchange representatives in the training of new USIA employees and retraining of existing staff--Civil Service, Foreign Service, and foreign national hires by creating training modules expressly intended to feature aspects of non-U.S. Government funded exchanges. [Training for employees and volunteers in the private sector which would feature USIA representatives can be attained through increased Agency support of the exchanges infrastructure, as explained below.]

- Reintroduce staff exchanges involving all types of USIA employees and U.S.-based exchange organizations, including but not limited to IPA and resident diplomat programs, that put Agency personnel in American exchange organizations and U.S. exchange professionals in Agency offices here and abroad.

Mechanisms such as these--as well as changes intended to encourage innovative exchange proposals noted below--will tend to foster better cooperation and consultation between the Agency and the private sector, and should encourage better quality exchanges for USIA.

3. **Your testimony refers to the neglect of the "infrastructure" of exchanges, networks, expertise training, and advising and information functions. What would it take to redress this neglect?**

There needs to be more attention to the infrastructure support for citizen and youth exchanges so that we may build the capacity in the private sector to consistently provide quality exchange programs. In the past, USIA provided funding for training, seminars, publications, and skill development through professional and other organizations to individuals working in the youth and citizen exchange in the United States--along with its well-recognized direct financial support of exchange participants. Our concern is that increasingly USIA

has withdrawn from supporting the exchanges infrastructure to concentrate almost solely on direct participant funding; to funding actual programs rather than funding capacity building. In the long term, we believe that it is important to fund a mix of activities with the Agency's money: part to support exchange institutions and their capacity to conduct exchanges whether the exchanges themselves are publicly underwritten or privately funded; and part to support specific programs where unique historical opportunities and needs occur--such as the former Soviet republics and the developing world, and for flagship programs--such as the International Visitor Program.

Renewed emphasis also needs to be placed on the role of USIA's overseas missions and representatives--the U.S. Information Service and commission offices. Educational and exchange advising services overseas are a critical cog in the machinery that introduces foreign nationals to prospective exchange opportunities in the United States and then prepares those participants for their American experience. Those services are under-utilized for citizen and youth exchange activities because the posts are not able to give priority to these types of exchanges. USIS and commission offices are also increasingly strapped for resources and are at risk of becoming overwhelmed in meeting the demands for services. We must not forget this aspect of our infrastructure needs.

4. **What new programs or types of programs would you like to see in the future, and what could Congress do to help with funding or legal authority?**

Beyond programmatic suggestions outlined in our statement and made in response to other questions here (e.g., responding to demands in Africa, Asia, and Latin America as well as in Central and Eastern Europe and the former Soviet Union), IEA is not prepared to advocate particular new programmatic initiatives. Instead, we have chosen to respond by addressing the issue of legal authorities--construing that to include a discussion about USIA's approach to regulating exchanges as well as elaborating our concerns about the impact of tax policy on exchanges--and grant making procedures.

With regard to legal authorities there are two points in particular. One, we would like to see Congress encourage a broader rather than a narrower approach to citizen and youth exchange at USIA, concentrating more on the quality of exchange rather than the criteria for participation in programs. The focus of current regulatory efforts at USIA has been on what type of exchanges should be permitted rather than the criteria for program oversight and quality control. Such a regulatory mindset is by definition narrow and forces programs and their administrators in both government and the private sector to react by discouraging innovative new programming approaches because they are not tried and true. It also fosters a bureaucratic desire to create pigeon-holes for programs. When even

an established and well-recognized program fails to fit into a predetermined structure, it is often sacrificed in the interest of administrative convenience. Absent clear and definitive Congressional guidance to view exchanges broadly and creatively, we risk constraining the innovation of the exchange community at the very moment we need to revitalizing our programming to meet a radically changed world.

Consequently, we would urge a sharpened focus on the spirit of the Fulbright-Hays Act as articulated by Senator Fulbright himself, rather than the narrow, legalistic approach suggested by the February 1990 General Accounting Office report on the J Exchange Visitor Program. Our intention is to increase quality intercultural exchange between the people of the United States and the people of other countries. As our world changes, we need to look to other, nontraditional models to achieve this. Programs such as Au Pair exchanges and summer student travel/work programs may become a primary mode for exchange in the future given the demographic changes in the United States and the evolving demands from overseas.

Two, while this is outside the traditional purview of this Subcommittee, we urge the Congress to consider changes in the Internal Revenue Code that affect a wide range of international exchange concerns from inequitable tax treatment of foreign students to inadequate recognition of the charitable value of home hosting. Of particular interest to IEA's youth exchange members is the code provisions governing charitable deductions for hosting a high school exchange participant. The deduction has been fixed by statute at $50 per month for a generation. We believe that it would be in all of our best interests to: first, index the deduction to a level corresponding to exemptions for dependents; and second, to pro-rate the deduction for the amount of time a student spends with the family. We believe this is a reasonable and appropriate way to encourage hosting of exchange students placed by nonprofit exchange organizations in American families with minimal impact on the federal budget.

With regard to funding, we urge USIA and Congress to reconsider its current approach to grant making which almost solely utilizes formalized requests for proposals. The recent statutory mandate to provide open competition for most grant awards will, we believe, lead to a narrowing rather than broadening of funding opportunities and foster a more conservative rather than creative program development for USIA and the exchange community. The end result will not be more diversity in programming design, but rather a set of long-running programs that lack regular rethinking and evaluation against competing needs and priorities from throughout the exchange community. While our view is contrary to the findings of USIA's Office of the Inspector General, we believe that both Congress and USIA should consider a grant making approach that encourages innovation and program experimentation.

In a grant making process dominated by RFPs, program design is pre-determined and the private sector's role becomes simply a question of providing a particular service at the most attractive price. The potential creativity and development of alternative programmatic priorities which are the real strengths of the private sector are entirely closed out of the process. Such an approach presumes that USIA is the sole source of good programmatic ideas and has conceived in advance of seeking public input what design characteristics are most important. Indeed, this grant-making approach encourages Agency micro-management of grants, thereby taxing the resources of the grant-receiving organization and focusing limited USIA salaries and expenses money on intensive supervision of grants.

Alternative approaches to grant decisions can overcome these difficulties. The grant making at the Fund for the Improvement of Postsecondary Education (FIPSE) within the Department of Education is a case in point. Reserving a certain amount of USIA grant funds for unsolicited proposals would be an equitable way to meet the concerns raised by the OIG while promoting an opportunity to secure funding for new and innovative programs. Such an approach would allow local communities, educational entities, and private, nonprofit international exchange entities to identify needs from the field and would put USIA back in the role of facilitating exchanges and exercising a more macro-management approach to its programming. A "block grant" approach to certain broadly targeted concerns would be another alternative grant-making device that could achieve similar results.

As mentioned above under a previous question (#3), renewed funding opportunities for infrastructure development and maintenance are also critical. We further note that there appear to be intriguing possibilities for underwriting exchanges funding in the developing world and the republics of former Soviet Union through debt conversion (a.k.a, debt swap) which we believe deserve vigorous investigation by the Subcommittee.

5. **USIA's testimony refers to the significant shift to "how to" programs. Is this an appropriate mission for USIA, or should these types of programs be left to AID, the Peace Corps, or the Departments whose specialized mission corresponds to the subject matter of the "how to" program?**

The underlying question here may be whether USIA's increased attention to "how to" programs is truly a response to a community/constituency need or a reaction to funding that has gone to other agencies and for which USIA must seemingly compete. We note that there has been an explosion of new program initiatives called for by all parties to international exchange activities: Congress, the Administration (including USIA), and the private sector. Insofar as "how to"

exchanges become the featured flavor at this time seems to be a reaction to perceived needs and is not of necessity inappropriate to USIA's mission.

Generally speaking, we believe that the Agency's mission is to focus on programs which promote broad-based, long-term, educational and cultural understanding between the United States and the rest of the world. The exchanges and the relationships they establish (and maintain) should be sustainable and not short-term in nature. While we often think first of programs such as the Fulbright program and high school exchanges as being "broad-based" and "long-term," mutual understanding can and is effectively promoted through very practically-oriented activities, such as training exchanges and vocational education programs.

Having said that, we are concerned that as the U.S. Government responds to demands for more specific, "how to" exchange programs, USIA may be compromised in its the critical coordinating role for exchanges. The Agency, through its Educational and Cultural Affairs Bureau, has been the historical touchstone for international exchange activities. As other agencies have been assigned substantial new tasks traditionally undertaken by USIA and/or begun to utilize the exchanges mechanism to achieve their programmatic goals, USIA has been, in effect, displaced in this role. That is unhelpful if the government is to maintain some coordinating role, particularly so for USIA to fulfill its statutorily mandated responsibilities, because the value of that coordination and USIA's mission to promote mutual understanding through long-term relations can be lost in the rush to provide very practical, often short-term experiences for target audiences around the world.

6. **USIA's testimony refers to the serious stretching of USIA's administrative and monitoring capacity that has resulted from the creation of new programs. Is this a problem of Congress not providing sufficient funds for each program to allow proper administration, or is this also a case for enhancing core funding for salaries and expenses?**

USIA (and not coincidentally, much of the private sector) is, in our view, seriously challenged to meet the administrative requirements inherent in the creation of new exchange program initiatives. Some of these financial and staffing pressures are self-imposed as a consequence of the style of program management the Agency has fallen into in the past decade (see our response above regarding the administration of grant making under Question #4).

However, the combination of comparatively slow growth in the Salaries and Expenses account for the Bureau of Educational and Cultural Affairs together with the absence of specified administrative support included in Congressionally-mandated exchange initiatives is of greater concern to us in this regard.

The Bureau's S&E account is stretched not only by administrative costs but is also expected to pick up the expenses of several programmatic exchange functions that have not been directly funded by the Pell Charter dollars reserved for exchanges. This pressure--which often causes deep programmatic cuts such as those experienced by the Office of Youth Exchange in the past four fiscal years--could be easily overcome by providing all exchanges funding through the Pell Charter appropriations. IEA is on record as supporting such a consolidation of programmatic funding. In any case, in is essential that Congress reserve sufficient funds for the administrative functions inherent in conducting exchanges and grant programs to keep pace with the growth in actual programming.

With regard to new initiatives that are often not contemplated when the S&E account is budgeted or authorized, Congress should consider allowing the Agency flexibility to expend programmatic funds for administration expenses by adding authorizing language to the effect that reasonable costs for the conduct of the exchange program may be used for administrative purposes.

7. **Would you describe the types of programs which we ought to be thinking about to respond to new needs and opportunities in Africa, Asia, and Latin America?**

Just as we would urge the government to return to a more field-based/private sector generated approach to grant making, we would likewise urge USIA to ask for ideas about programming in Africa, Asia, and Latin America from the community of organizations committed to increasing exchange and understanding with these regions. In addition, we would suggest that USIA consider putting aside some dollars for each region thus guaranteeing that external political changes not put at risk less popular regions of the world. Nothing has been more damaging to maintaining exchange relations with these three regions than the "off-again, on again" cycle of U.S. Government funding priorities. Exchange relations with countries in Northern and sub-Saharan Africa and Southeast Asia have been particularly hard hit by the roller-coaster ride approach to funding allocations.

8. **How can we respond to these needs and simultaneously respond to needs in Eastern Europe and the former Soviet Union?**

- **Will we be forced to respond only partially in each case?**

- **How can we identify the more important types of programs in each area?**

Regrettably, we will be forced to respond only partially in each case because there is simply not enough funds available to meet all of the needs around the world. How we respond in each case should be determined by the objectives to be

achieved and an assessment of the degree of impact. We suggest that an effective way of determining the most important types of programs in each area would be to bring together the three key players in terms of funding, program oversight, and program implementation: members of Congress and their staffs, key leaders in relevant government agencies, and leadership in the field of international education and exchange. By bringing together the perspective of these three groups, we would also call together the resources that each group has to offer. The result would be both a more efficient use of resources and a more effective set of programs.

IIEA stands ready to participate enthusiastically in a meeting of the minds. We do not believe it is necessary to sacrifice one part of the world in order to respond to the needs in another. It is, however, necessary to find a balance between needs and opportunities. This, we believe, is best done by working collaboratively.

We also note that one very effective way to address competing needs is to encourage joint activities or "strategic alliances". By channeling grant funds into consortial projects so as not to fund duplicative activities both in and out of government, some savings can be realized and invested in more programmatic activities or other world regions. We believe that joint, consortial projects are essential to future success of programs in both the CIS--notably the Bradley-Leach Initiative--and in future initiatives to be undertaken in the developing world.

9. **Does USIA accord sufficient attention and resources to supporting private sector activities and spending on exchange programs?**

In a word, no. As noted above in our answers to questions about consultation with the private sector and support for infrastructure, we have suggested that there is inadequate support for the private sector--a sector that conceives of, plans for, and administers the vast majority of American exchanges. We have recommended several options above to address these general concerns and we believe that others can be found with further investigation and thought. Indeed, we understand that USIA has undertaken an evaluation of its relationship with the private sector as part of a larger strategic planning effort and we find that action an encouraging and positive sign of the Agency's interest in working with the private sector.

More specifically, we have been concerned for several years that USIA's programmatic priorities and budget decisions have steered a path away from the private sector. For IIEA's membership, that is evidenced most clearly by the decline in funding for youth exchange activities (outlined in our written testimony to the Subcommittee) and the lack of increase in funding for the Office of Citizen Exchange--formerly known as the Office of Private Sector Programs, the one

office within USIA's Bureau of Educational and Cultural Affairs expressly charged with working with the private sector. Citizen exchange funding has struggled to hold even or secure minimal increases while most of the rest of the Pell Charter program funding has increased, in some cases by substantial margins. In addition, when programmatic earmarks have been made in the authorization or appropriations for USIA, they have often come out of the Office of Citizen Exchange's overall allocation, negating any hope for an increase in a given year and often causing an actual reduction in funds for competitive grant-making.

Previously, IEA has advocated that funding for private sector programs be doubled, in part because Citizen Exchange Office grants often go to community-based, volunteer-driven private sector organizations that generate a substantial "bang for the buck," with matching private funds and in-kind contributions that come at a rate of 12 to 1 or better. A doubling of funding for this program area would cost only about $10 million, or five percent of the total Pell Charter program budget request USIA submitted for fiscal year 1993.

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